

Clearfield, 25 Lutheran people of Clearfield, and First Baptist Church of Clearfield, all in the State of Pennsylvania, for national prohibition; to the Committee on the Judiciary.

Also, petition of Fifth Reformed Church of 351 people of State College, First Baptist Church of 170 people of Clearfield, 30 citizens of Beccaria, Jamesville Sunday School people of Smithmill, Woman's Christian Temperance Union of Smithmill, 30 citizens of Beccaria, 60 Sunday schools of Center County, Union Mission of 65 church people of Coleville, Methodist Episcopal Foreign Mission Society of Clearfield, Woman's Christian Temperance Union of Mill Run, Sunday School people of Mill Run, and Baptist Ladies' Aid of Port Allegany, all in the State of Pennsylvania, for national prohibition; to the Committee on the Judiciary.

By Mr. SANFORD: Papers to accompany House bill 12041, for relief of Lewis W. Wade; to the Committee on Military Affairs.

By Mr. SCHALL: Petition of 8 North Side Commercial Clubs of Minneapolis, Minn., in re flood control; to the Committee on Flood Control.

By Mr. SCULLY: Petition of Methodist Episcopal Church of 165 people of South River, Epworth League of 50 young people of South River, and Woman's Christian Temperance Union of 15 people of Holmdel, N. J., favoring national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Englishtown, N. J., indorsing the Burnett immigration bill; to the Committee on Immigration and Naturalization.

By Mr. SELLS: Petition of Burnside Post, No. 8, Department of Tennessee, Grand Army of the Republic, opposing Senator Works's bill; to the Committee on Military Affairs.

By Mr. SHOUSE: Petition for investigation of the sisal fiber situation; to the Committee on Interstate and Foreign Commerce.

By Mr. SLAYDEN: Petition of citizens of Texas, against any abridgment of free speech and free press; to the Committee on the Post Office and Post Roads.

Also, memorial of Board of Commissioners of the Bicentennial and Pan American Exposition of San Antonio; to the Committee on Industrial Arts and Expositions.

By Mr. SLOAN: Petition of the Nebraska Live Stock Feeders' Association, favoring the curtailment of production to regulate the prices of live stock; to the Committee on Agriculture.

Also, petition of Fred Koch and other residents of Deshler, Nebr., protesting against House bills 6468 and 491; to the Committee on the Post Office and Post Roads.

Also, petitions of F. A. Carmony and 39 other residents of Diller, Nebr., relative to prohibition in the District of Columbia; to the Committee on the Judiciary.

By Mr. SMITH of Texas: Petition of sundry business men of the State of Texas, indorsing House bill 712, taxing persons, firms, or corporations doing a mail-order business; to the Committee on Ways and Means.

Also, petition of members of Christian Church of Alpine; Sunday School of Presbyterian Church of Alpine; Sunday School of the First Christian Church of Alpine, and 103 citizens of Alpine, Tex., for national prohibition; to the Committee on the Judiciary.

Also, petition of sundry citizens of Texas, protesting against national prohibition constitutional amendment; to the Committee on the Judiciary.

By Mr. SNELL: Petition of C. L. Day, W. H. Day, H. H. La Fountain, T. V. Speer, A. J. Campbell, Ed. Patnode, Leo Patnode, William Vassan, Herbert P. Newell, William Vassar, jr., J. A. Hanes, H. H. Van Dyke, B. J. Barrett, W. H. Hough, L. D. Le Clair, Joseph S. La Lour, T. D. Peete, Clark Hawkins, D. Davis, James Buckley, James McCaffery, G. R. T. Armstrong, jr., J. D. Waterbury, W. H. Brown, John Nixon, Philip Fed, George L. Lyeth, F. G. Baker, R. Haskins, J. H. Murphy, M. R. Sessions, W. L. Burgess, Fred E. Jarvis, L. J. Houghton, Charles Carter, Harry Bedell, G. H. Greene, Arthur R. Cox, C. E. Knowles, J. T. Rockefeller, O. G. Hollenbeck, D. A. Buckley, D. Dillon, and others, of Lake Clear Junction, N. Y., urging the passage of the Britten bill; to the Committee on Ways and Means.

By Mr. STEDMAN: Petition of church of Raybon, N. C., and Methodist Protestant Church of High Point, for national prohibition; to the Committee on the Judiciary.

Also, petition of citizens of Greedmore, N. C., for national prohibition; to the Committee on the Judiciary.

By Mr. STEPHENS of Texas: Memorial of marketing committee of the Farmers' Union of Texas, relative to marketing of cotton; to the Committee on Agriculture.

By Mr. TEMPLE: Petition of citizens of Monongahela Men's Bible Class of Grace Lutheran Church, Monongahela,

Pa., favoring national prohibition; to the Committee on the Judiciary.

By Mr. THOMAS: Protest of sundry citizens of Gordonsville, Ky., against preparedness; to the Committee on Military Affairs.

By Mr. WM. ELZA WILLIAMS: Protest against preparedness program by various citizens of Vienna, Ill.; to the Committee on Military Affairs.

Also, petition of citizens of Mendota, Ill., for national prohibition; to the Committee on the Judiciary.

By Mr. YOUNG of North Dakota: Petition of Mike Schevner, of Manfred, N. Dak., and 62 others, protesting against the passage of House bills 6468 and 491, to amend the postal laws; to the Committee on the Post Office and Post Roads.

SENATE.

WEDNESDAY, March 15, 1916.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, we come to this sacred moment of our day's work when in thought and aspiration we touch the boundaries of the great unseen and the eternal world and lift our hearts to the Father of our spirits. We remember in this moment one who has been called from the scenes of his earthly career into the great beyond, revered and respected by all who knew him, while those who came within the charmed circle of his personal influence held him in affection and friendship.

We bless Thee to-day for the high ideals that have been maintained in this honorable body through all its history, and by every man who closing his record here has left behind him the achievement of these ideals in his personal life and character.

Grant, we pray, to send to us to-day the influence and ministry that should come to us in an hour like this, remembering that we are passing along the same journey, serving the same great country, aspiring to the same high ideals. And we pray that Thou wilt lay Thy hand upon the heart and mind of every one of his colleagues remaining here in active service, inspiring them to the reconsecration of their lives to the interests of their country and to the honor and glory of the name of the God of our fathers.

Hear us in this our prayer. Chasten us with Thy holy spirit of truth. For Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

FUNERAL OF SENATOR SHIVELY.

The VICE PRESIDENT. The Chair feels constrained to announce that last evening the Chair endeavored to secure a definite statement that the Senators named would attend the funeral of Senator SHIVELY. Owing to the suddenness of the death and the engagements of Senators, it was difficult to procure the promise of Senators who were old-time friends of Senator SHIVELY, and the Chair, without succeeding in getting definite promises, appointed the committee.

The Chair understands that the train will leave at 6.15 tomorrow night, and that the funeral will not take place until 2 o'clock Saturday afternoon in the city of South Bend. If, therefore, any of the Senators named by reason of any cause can not attend, the Chair would like to be notified as soon as possible in order that the committee may be filled up.

So long has been the personal friendship of the deceased Senator and the Vice President that the Chair will feel it his duty, as but a decent mark of courtesy for many years of personal friendship, that he should attend the funeral.

The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 12207. An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1917, and for other purposes; and

H. J. Res. 180. Joint resolution providing for an increase of the enlisted men of the Army in an emergency.

The message also transmitted to the Senate resolutions of the House on the death of Hon. BENJAMIN F. SHIVELY, late a Senator from the State of Indiana.

HOUSE BILL AND JOINT RESOLUTION REFERRED.

H. R. 12207. An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal

year ending June 30, 1917, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

H. J. Res. 180. Joint resolution providing for an increase of the enlisted men of the Army in an emergency was read twice by its title and referred to the Committee on Military Affairs.

INCREASE OF ENLISTED MEN OF THE ARMY.

Mr. CHAMBERLAIN. Joint resolution 180 has come over from the House and has been by the Chair referred to the Committee on Military Affairs. Permit me to say that the Committee on Military Affairs has considered it and has requested that I report back the joint resolution favorably. Therefore I report it back and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The Secretary will read the joint resolution by title.

The SECRETARY. The Senator from Oregon, on behalf of the Committee on Military Affairs, reports favorably without amendment the joint resolution (H. J. Res. 180) providing for an increase of the enlisted men of the Army in an emergency.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. SMITH of Georgia. Before its consideration—

Mr. VARDAMAN. I will ask that the joint resolution be read.

The VICE PRESIDENT. The Secretary will read the joint resolution.

The Secretary read the joint resolution, as follows:

Resolved, etc. That when, in the judgment of the President, an emergency arises which makes it necessary, all organizations of the Army which are now below the maximum enlisted strength authorized by law shall be raised forthwith to that strength, and shall be maintained as nearly as possible thereat so long as the emergency shall continue: *Provided*, That the total enlisted strength of any of said arms of the service shall not include unassigned recruits therefor at depots or elsewhere, but such recruits shall at no time exceed by more than 5 per cent the total enlisted strength prescribed for such arms; and the enlisted men now or hereafter authorized by law for other branches of the military service shall be provided and maintained without any impairment of the enlisted strength prescribed for any of said arms.

The VICE PRESIDENT. The Senator from Oregon asks unanimous consent for the present consideration of the joint resolution. Is there objection?

Mr. GRONNA. Mr. President, I do not know that I have any objection to the joint resolution, but I want to look into it, and I ask that it go over to-day.

Mr. CHAMBERLAIN. I did not understand what the Senator from North Dakota said.

The VICE PRESIDENT. There seems to be an objection on the part of the Senator from North Dakota.

Mr. SMITH of Georgia. Then, if it is not going to be considered this morning, I desire to present an amendment to the joint resolution, which I send to the Clerk's desk.

Mr. CHAMBERLAIN. I desire to say to the Senator from North Dakota that I hope he will not object to the immediate consideration of the joint resolution. It is quite urgent, and I think we could give him the information he wants in reference to it. The Committee on Military Affairs has given the joint resolution its careful consideration.

Mr. GALLINGER. And the committee were unanimous.

Mr. CHAMBERLAIN. The committee were unanimous. I will say to the Senator from North Dakota that we had before us an engrossed copy of the joint resolution before it reached the Senate, and we considered it in the session this morning.

Mr. GALLINGER. I will venture an individual suggestion, that I trust the Senator from North Dakota will withdraw his objection and let the joint resolution be passed.

Mr. WARREN. I also hope the Senator may see his way to withdrawing his objection.

Mr. GRONNA. I ask the chairman of the committee what will be the increase in the Army providing the joint resolution is passed?

Mr. CHAMBERLAIN. How much will be the increase?

Mr. GRONNA. Yes.

Mr. CHAMBERLAIN. About 20,000 men.

Mr. GRONNA. I heard the joint resolution read. I meant the percentage of increase.

Mr. CHAMBERLAIN. The strength of the Army is a little more than 100,000, and this is to raise it to from 120,000 to 125,000 men. I will state to the Senator that the necessity arises along the border where the enlistments are expiring, and they have skeleton regiments and skeleton companies which they desire to fill up to the full strength.

Mr. GRONNA. I will state that I do not know that I have any objection to the provisions of the joint resolution, but I felt that I wanted some information. The information that the

chairman of the committee has given me is sufficient, and I will withdraw my objection.

The VICE PRESIDENT. The joint resolution is before the Senate as in Committee of the Whole, and the Senator from Georgia [Mr. SMITH] offers an amendment, which will be stated.

The SECRETARY. It is proposed to add at the end of the joint resolution the following proviso:

Provided further, That the enlistments under this resolution shall be for only two years in the service with the organization of which those enlisting shall form a part, the balance of said enlistment to be on furlough and attached to the Army reserve, as provided in the act approved August 24, 1912.

Mr. SMITH of Georgia. Mr. President, I shall not press this amendment if it will cause delay or in any way embarrass prompt action upon the joint resolution. The present law provides for enlistment with the colors for four years. I believe the enlistments would be made much more quickly if the length of time were put at two years. I am very earnestly against a long-time enlistment with the colors.

Mr. DU PONT. Mr. President—

Mr. SMITH of Georgia. I yield to the Senator from Delaware.

Mr. DU PONT. I should like to say to the Senator from Georgia that the provisions in regard to the period of enlistment is, I think, fully and satisfactorily embodied in the new bill which is about to be presented to the Senate for the reorganization of the Army. The bill deals with that subject, and I think its provisions will be acceptable to the Senator. I therefore suggest that he withdraw his amendment and allow the matter to come up in due course, which will be in a very few days.

Mr. SMITH of Georgia. The enlistment will really come under the new law proposed rather than under the old law?

Mr. DU PONT. Yes.

Mr. SMITH of Georgia. Mr. President, I shall not press the amendment now, because I am perfectly in sympathy with the immediate passage of the joint resolution; but I shall a little later on undertake to urge upon the Senate the view, and a very strong view, that I have against long-time enlistments. The real question is whether we are enlisting men to be permanent soldiers or whether they are to be temporary soldiers and while in the service be prepared to return to civil life.

I am against long-time enlistments. I am against enlistments that may contemplate making men permanent soldiers. I think we ought to take up under the general bill the question of preparing private soldiers while they are in the service for civil life on their return to civil life, and short-time enlistments are essential for such a course. In connection with their service as private soldiers a part of their time should be given to preparation for civil life. This view I shall endeavor to press upon the Senate a little later on.

Mr. VARDAMAN. Mr. President, there is a great deal of merit in the amendment proposed by the senior Senator from Georgia. I think it would be better if the enlistment to meet this emergency should be limited to one year. There is not a patriotic citizen of military age in this Republic who would not promptly offer his services to defend the flag and uphold the rights of his Government in a conflict with any nation on earth. But the average self-respecting, independent, liberty-loving young man will not join the Regular Army and subject himself to the servitude which that service imposes. Now, personally I am opposed to the enlargement of the permanent or standing Army at all. But I am very much in favor of this joint resolution. I have no idea that the services of the 20,000 additional soldiers will be needed to meet the exigencies of the situation on the Mexican border; but the President and the Secretary of War, out of an abundance of caution, probably, have asked for that number of men, and I shall cheerfully vote for the resolution. And I sincerely hope it may be promptly passed, for the reason that I think it will have a very excellent moral effect. But for the fact that the adoption of the amendment proposed by the senior Senator from Georgia would necessitate returning the joint resolution to the House of Representatives, I should insist upon the consideration of it. But celerity and dispatch are important elements just now, and I hope that nothing will be done to delay the preparation being made for the campaign our Army is to begin on the border of Texas. Let the resolution go through at once, and whatever defects there may be in the system I trust we may be able to correct them at some future time.

Mr. NEWLANDS. Mr. President, as a detached portion of the national defense has come up for consideration—

Mr. HUGHES. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from New Jersey will state his inquiry.

Mr. HUGHES. Is the joint resolution before the Senate or is there an objection pending? What is its status?

The VICE PRESIDENT. There is no objection pending to the present consideration of the joint resolution, and it is before the Senate by unanimous consent.

Mr. NEWLANDS. Mr. President, I was about to state that as a detached portion of the national defense has come up for consideration this morning I should like to say a few words regarding the broad treatment of this whole subject. By way of preliminary I will ask that the Secretary read an editorial from the Washington Post of Wednesday, March 15, 1916, entitled "Will Congress Push Defense Bills?"

The VICE PRESIDENT. The Secretary will read as requested in the absence of objection.

The Secretary read as follows:

WILL CONGRESS PUSH DEFENSE BILLS?

[From the Washington Post, Wednesday, Mar. 15, 1916.]

The confusion and delay in Congress on measures of national security are disquieting to the public. While some of the Congress committees have been working steadily on defense programs, others have palpably wasted time, and there has been no evidence whatever of cooperation in Congress looking to the enactment of comprehensive and coordinated legislation. The committees are working independently and in some cases at cross purposes. Their work will have to be done over again by Congress as a whole, unless financial considerations are to be cast to the winds. On the fundamental question of reconstructing the Army there is such wide difference that a long struggle between the two Houses seems to be inevitable.

The commendable efforts of committee chairmen to bring out early reports on defense measures should be seconded by generous cooperation among Senators and Members generally. They can afford to set aside pet measures for the sake of expediting the all-important work of making the country's defenses adequate. After three and a half months of committee work, Congress surely ought to be ready to consider defense bills. It must be ready soon if it is to deliberate wisely upon these measures before next autumn.

Emergency defense bills are making their appearance, as was to be expected. Some of them may have merit, but they are stop-gaps at best, and have little bearing upon the national defense problem as a whole. Patchwork legislation intended to make the present defense equipment workable is likely to do as much harm as good, by diverting legislators from really creative work. It is doubted in some quarters that Congress, in fact, will be able to devise and fill out a comprehensive and coherent system of national defense within a year or two. It is suggested that while urgent defense bills are being considered at this session, a joint committee of Congress be appointed to go deeply into the whole subject in all its bearings—military, naval, financial—and bring out a well-digested plan for defense that may be considered by Congress at its next session.

Unless immediate steps are taken by the committees and by Congress as a whole, this plan will win many advocates, for the reason that Congress will have proved itself unable, through its system of unrelated committees, to bring forth a comprehensive plan on this complex subject within a reasonable time.

Mr. NEWLANDS. Mr. President, about a month ago I offered in the Senate joint resolution No. 91 providing for a joint subcommittee from the membership of the Committees on Military Affairs and Naval Affairs of the Senate and House of Representatives to investigate the conditions relating to the national defense and the necessity of further legislation relating thereto, and defining the powers and duties of such subcommittee. Immediately after offering it, I appeared before the Committee on Military Affairs and urged the adoption of the resolution. The resolution appeared in full in the Record of day before yesterday, and I will not now read it, but it requires a report from this joint subcommittee upon all the material aspects of the national defense.

I wish to preface my remarks by saying that it is with some hesitation—with great hesitation, I may say—that I venture at all to say anything upon the subject of military and naval affairs, for I do not profess to be familiar with them. I have never served on committees relating to the subject, and profess to have no special information regarding it; but it has seemed to me that, owing to extraordinary conditions both in Europe and on this continent, it is of the highest importance that we should consider the national defense as a whole, and not simply consider detached portions; that not only Congress but the people themselves require knowledge upon the general proportions and cost of the entire scheme of national defense, and that to take up detached portions of the national defense, instead of taking hold of the subject broadly, is a mistake both from the standpoint of Congress and of the public at large.

Mr. President, I realize how painstaking the work of the Committee on Military Affairs of the Senate has been, and I realize how strenuously the chairman of the Committee on Military Affairs has applied himself to this subject. I have no doubt that the Committee on Naval Affairs has applied itself to the special matter under its jurisdiction with equal assiduity, and I have no comment or criticism to make regarding the thoroughness of their work or the speed with which it is being accomplished; but it does seem to me that both Congress and the coun-

try require the presentation of some coordinated scheme of national defense that will embrace every detail, and that the best way of approaching this matter would be to have the whole subject considered now by a subcommittee composed of three from each one of the five committees having jurisdiction over detached portions of our military and naval defense—the Military and Naval Committees of the Senate, the Military and Naval Committees of the House of Representatives, and the Subcommittee on Fortifications in the other House.

The attention of Congress and the country would then be focused upon one recommendation, or, at the most, two, a minority and a majority report.

Their report should cover the general subject of the national defense, the efficiency of the present organization of the Army and Navy, the advisability of universal service, the relation of the State militia to the national defense, the increase in the Army and naval schools for training officers, the utilization for this purpose of the land-grant schools of agriculture and the mechanic arts, the creation of an auxiliary navy, useful in aid of the fighting ships in time of war and useful in time of peace in the development of new routes of commerce.

The report should also cover the necessary cost, covering a period of five years, including such organization of both Army and Navy as will be covered by an annual expenditure of \$300,000,000, \$350,000,000, \$400,000,000, and so on.

It would be quite possible by a system of governmental aid for the establishment of vocational schools in cooperation with the States to create a military service extending over a period of years, during which young men would be trained in vocations that would be useful and at the same time in military discipline, with the obligation for a few years after their graduation to respond to the country's call and to gather together for a month or two in each year for the continuation and perfection of their military training.

Such a service would be regarded as one of honor and distinction, as helpful in preparation for future vocations, and as a steppingstone to advancement in the vocations of civil life.

These are the days of efficiency, and there is no organization in the country that needs methods of efficiency more than the Congress of the United States.

In reply to this suggestion urged by me a few days since, the chairman of the Committee on Military Affairs of the Senate, the Senator from Oregon [Mr. CHAMBERLAIN], indicated that this plan had advantages; but he stated that he thought it too late to apply it to matters now under consideration; that all of the committees had either made reports or were prepared to make reports, and he thought the work should go on in the usual manner at this session of Congress, supplementing that work by the organization later on of such a subcommittee as I have in contemplation, with instructions to report at the next session. The chairman of the committee, therefore, as I understand, realizes the value of this coordinated work. He simply wishes to postpone it until later on.

Mr. President, I should like particularly to have the attention of the chairman of the Committee on Military Affairs, if I may. I wish to present to the Senator this consideration: Whilst we all realize the value of the work that his committee has done and the value of the work of the Naval Committee, yet, if this coordination is important, is it not better to have it now and will it not proceed in a more orderly manner after the investigation has been made by these various committees having jurisdiction over detached portions of the national defense? As I understand, they are prepared to present their views. Why not, then, appoint this subcommittee and have all those bills go to this subcommittee?

This subcommittee, I recollect, will be composed of members of all of these five committees. The appointment of a subcommittee is the commonest practice in legislation. This means simply a joint subcommittee of all the Military and Naval Committees of the House and Senate, instead of a subcommittee of the Senate. It means a subcommittee of five committees instead of a subcommittee of one committee. The regular committees will not lose jurisdiction of the subject, for as soon as the joint subcommittee reports its recommendation to the general committees of both the Senate and the House, their jurisdiction attaches, and they will address themselves to that recommendation.

It seems to me that the logical time to take hold of this question of coordination is after the committees have severally considered these questions—after they have informed themselves upon the subject—each committee applying itself intelligently to the subject within its jurisdiction, and therefore in the joint subcommittee being prepared to present the relation of that particular service which such committee represents to the general subject of the national defense.

Mr. REED. Mr. President—

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Missouri?

Mr. NEWLANDS. I do.

Mr. REED. I want to ask the Senator if he does not think that even if a general plan ought to be developed, a comprehensive plan, or, to use the Senator's own expression, a "coordinated" plan—and I want to say by way of parenthesis that I think of course there ought to be a general plan, and of course each part of that plan ought to fit into every other part of the plan—but even conceding that to be true, have we not the situation presented here this morning that we absolutely know that there is an immediate necessity for some increase in the Army; that we know we are going to need that number of men in any plan which may be adopted; and that when we have raised the Army to that amount it necessarily will fit into any larger plan? So are we not in the position of a man who knows that he is going to need a large amount of supplies to carry him through the winter, and therefore is perfectly safe in laying in a side of bacon and a sack of flour?

Mr. NEWLANDS. Mr. President, there is much in what the Senator suggests, but I submit to him that if this joint subcommittee is immediately appointed the urgency and significance of that situation will immediately address itself to that subcommittee, and they will immediately report upon that detached portion of the national defense which requires immediate attention.

Mr. REED. Mr. President, if the Senator will pardon me, a subcommittee that proposes to act, and will act, immediately will have no more information than the Senate has if it acts immediately. The value of consideration by a subcommittee consists in the fact that it takes an entire plan, studies each part of it, and then passes upon each part. This being a part thereof, it could not be given any wise consideration by a committee in connection with a general plan until it had considered the whole plan. So that when the Senator states that he is willing to turn this question over to a subcommittee and have an immediate report, he confesses that he is willing to have a report made without considering a general plan.

Mr. OLIVER. Mr. President, will the Senator from Nevada yield for a question?

Mr. NEWLANDS. If the Senator will permit me to answer the Senator from Missouri, then I will gladly yield.

Mr. President, I would expect the proposed subcommittee immediately to consider those matters which require urgent attention. Among them, I presume, would be the increase of the Regular Army. There is no reason why they should not report that immediately. I would expect them, of course, in their preliminary considerations to address themselves to the question of a general plan of national defense, embracing a national council of defense, composed of both Army and Navy officers, and perhaps of departmental chiefs and chairmen of prominent committees; but they could easily determine whether detached action upon a detached portion of the subject would be likely to conflict in any way with the full consideration of a general measure, and, without coming to any conclusion as to the general measure, they could easily report as to the detached portion which required immediate attention. I now yield to the Senator from Pennsylvania.

Mr. OLIVER. Mr. President, I should like to ask the Senator whether he is now advocating the postponement of action upon the pending resolution until the subject can be considered by such a committee, as he has indicated?

Mr. NEWLANDS. No; I am not opposing immediate action upon this resolution. On the contrary, I favor it. I am simply making general suggestions now with reference to the method that should hereafter be pursued. I do not propose, of course, to attempt to obstruct any legislation upon this subject that is recommended by the committees; but I simply suggest that we will save time—and we will find that we will save time—by the appointment of a subcommittee now, instead of deferring until after the national-defense bills are passed, the consideration through a subcommittee of the general question. That seems perfectly clear to me. The appointment of this subcommittee, recollect, will not delay the action of the general committees. It does not take the place of their functions; it is simply in aid of their functions; and whenever a general committee regards a matter as of sufficient importance and urgency to press it upon Congress, it can do so, and the Congress can determine whether or not the matter is of such urgency as to require immediate attention or whether it can safely await the general report upon the subject.

All I contend is that, the chairman of the Committee on Military Affairs having said the other day that he thought that this

plan of inquiry through a joint subcommittee would be a good one as applied to legislation subsequent to legislation at this session, and that it would be a wise thing to provide for it, I simply beg to differ with him as to that detail, though with great diffidence, for I acknowledge his superior information on the subject, and to urge that a joint subcommittee should be appointed now, and, even if we act from now on upon the recommendation of joint committees, that the subcommittee be in session, so that before we close our work upon the military and naval bill they can present us a coordinate scheme of legislation that will indicate to the American people exactly the proportions of the Army, exactly the proportions of the Navy, their relation to each other, and the cost of both. As it is, we are entirely at sea, and we will find that Members, both of the Senate and of the House, will be reluctant to act and to vote upon these detached portions, for the reason that they do not know where their action will land them as to the ultimate cost of this great expansion. So I suggest to the Senator from Oregon, entertaining the view he does, that at some time when this subcommittee should be appointed he bring the matter up before the committee, and I urge upon him a report favoring the appointment of a subcommittee now, but without, of course, ousting the jurisdiction of the general committees upon this subject in such a way as to prevent them from acting upon any matter of emergency.

The VICE PRESIDENT. The joint resolution is in the Senate as in Committee of the Whole and open to amendment.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, and read the third time.

The VICE PRESIDENT. The question is, Shall the joint resolution pass?

Mr. GALLINGER. Mr. President—

The VICE PRESIDENT. The Senator from New Hampshire.

Mr. GALLINGER. Mr. President, for the purpose of demonstrating and emphasizing the fact that there are no political or other differences in this Chamber when the interests of the country are at stake, I ask for the yeas and nays on the passage of the joint resolution.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. KERN (when Mr. CHILTON's name was called). I desire to announce that the senior Senator from West Virginia [Mr. CHILTON] is absent on official business of the Senate. If he were present, he would vote "yea."

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from Maryland [Mr. SMITH], but I am informed that if present he would vote as I intend to vote. I therefore vote "yea."

Mr. KERN (when Mr. FLETCHER's name was called). I desire to announce the unavoidable absence of the senior Senator from Florida [Mr. FLETCHER]. He is paired with the junior Senator from Idaho [Mr. BRADY]. If the Senator from Florida were present, he would vote "yea."

Mr. WEEKS (when Mr. LODGE's name was called). My colleague [Mr. LODGE] is absent on account of important business. He has a general pair with the senior Senator from Georgia [Mr. SMITH]. I am confident that if my colleague were present he would vote "yea" on this question.

Mr. OLIVER (when Mr. PENROSE's name was called). My colleague [Mr. PENROSE] is unavoidably absent. He is paired with the senior Senator from Mississippi [Mr. WILLIAMS]. If my colleague were present, he would vote "yea."

Mr. SAULSBURY (when his name was called). I have a general pair with the junior Senator from Rhode Island [Mr. COLT], which I transfer to the junior Senator from Wisconsin [Mr. HUSTING] and will vote. I vote "yea."

Mr. STERLING (when his name was called). I am paired with the junior Senator from Tennessee [Mr. SHELDON], but upon inquiry I am confident that if present he would vote "yea." I therefore feel at liberty to vote. I vote "yea."

Mr. SUTHERLAND (when his name was called). I have a general pair with the senior Senator from Arkansas [Mr. CLARKE], who is absent, but on this question I feel at liberty to vote. I vote "yea."

Mr. TILLMAN (when his name was called). Believing that my pair, the junior Senator from West Virginia [Mr. GOFF], if he were here would vote as I shall vote, I vote "yea."

Mr. TOWNSEND (when his name was called). I desire to announce the absence of my colleague, the senior Senator from Michigan [Mr. SMITH], and his pair with the junior Senator from Missouri [Mr. REED]. If my colleague were here he would vote as the junior Senator from Missouri has voted. I am paired with the junior Senator from Florida [Mr. BRYAN]; but knowing that he would vote as I shall, I vote "yea."

Mr. MYERS (when Mr. WALSH's name was called). My colleague [Mr. WALSH] is necessarily absent on official business. If he were present I am sure he would vote "yea."

Mr. WILLIAMS (when his name was called). Being assured that the senior Senator from Pennsylvania [Mr. PENROSE], with whom I have a pair, would vote as I am about to vote, I vote "yea."

The roll call was concluded.

Mr. GALLINGER. The junior Senator from Maine [Mr. BURLEIGH] is unavoidably detained by illness. He is paired with the senior Senator from Ohio [Mr. POMERENE]. If the Senator from Maine were present, he would vote "yea," and I understand that is likewise the case with the Senator from Ohio [Mr. POMERENE].

Mr. BORAH. I desire to state that my colleague [Mr. BRADY] is absent on account of illness and is paired with the senior Senator from Florida [Mr. FLETCHER]. If my colleague were present and at liberty to vote he would vote "yea."

Mr. LIPPITT. I have a pair with the junior Senator from Montana [Mr. WALSH]. In his absence I transfer that pair to the senior Senator from California [Mr. WORKS] and will vote. I vote "yea." I also wish to state that my colleague [Mr. COLT], who is necessarily absent, would, if present, vote for this resolution.

Mr. HUGHES. I desire to announce the absence of the senior Senator from Kentucky [Mr. JAMES] on account of illness. If he were present, he would vote "yea."

Mr. CURTIS. I have been requested to announce that the junior Senator from New Mexico [Mr. CATRON] is paired with the senior Senator from Oklahoma [Mr. OWEN].

The result was announced—years 69, nays 0, as follows:

YEAS—69.

| | | | |
|-------------|------------------|--------------|------------|
| Ashurst | Hardwick | Myers | Smoot |
| Bankhead | Hitchcock | Nelson | Sterling |
| Beckham | Hollis | Newlands | Stone |
| Borah | Hughes | Norris | Sutherland |
| Brandegge | Johnson, Me. | Oliver | Swanson |
| Broussard | Johnson, S. Dak. | Overman | Thomas |
| Chamberlain | Jones | Page | Thompson |
| Clapp | Kenyon | Poindexter | Tillman |
| Clark, Wyo. | Kern | Reed | Townsend |
| Culberson | La Follette | Robinson | Underwood |
| Cummins | Lane | Saulsbury | Vardaman |
| Curtis | Lea, Tenn. | Shafroth | Wadsworth |
| Dillingham | Lee, Md. | Sheppard | Warren |
| du Pont | Lippitt | Sherman | Weeks |
| Fall | McCumber | Simmons | Williams. |
| Gallinger | McLean | Smith, Ariz. | |
| Gronna | Martin, Va. | Smith, Ga. | |
| Harding | Martine, N. J. | Smith, S. C. | |

NOT VOTING—26.

| | | | |
|--------------|----------|----------|--------------|
| Brady | Fletcher | O'Gorman | Shields |
| Bryan | Goff | Owen | Smith, Md. |
| Burleigh | Gore | Penrose | Smith, Mich. |
| Catron | Husting | Phelan | Walsh |
| Chilton | James | Pittman | Works |
| Clarke, Ark. | Lewis | Pomerene | |
| Colt | Lodge | Ransdell | |

So the joint resolution was passed.

Mr. McCUMBER. Mr. President, I am glad that we had the opportunity of a yea-and-nay vote upon this joint resolution, in order that the Senate might show to the country and to the world that while as guardians of the national welfare we will do everything in our power to preserve the peace of the country and to refrain from doing anything on our own part that would unnecessarily precipitate a conflict with any country in the world, yet when conditions do arise when it becomes necessary for the American people to protect the lives of our citizens and to punish those who would wantonly kill them, or to protect them in their just rights, this Nation and this Congress stand as one man, undivided, in defense of such rights and in its purpose to uphold them with whatever force is necessary everywhere throughout the world.

The VICE PRESIDENT. The presentation of petitions and memorials is in order.

PETITIONS AND MEMORIALS.

Mr. MYERS. I present resolutions in the nature of a petition adopted by the Flathead Settlers' Association of Big Arm, Mont., which I ask may be printed in the RECORD and referred to the Committee on Public Lands.

There being no objection, the resolutions were referred to the Committee on Public Lands and ordered to be printed in the RECORD as follows:

Resolutions adopted by the Flathead Settlers' Association, Big Arm, Mont., special meeting, March 8, 1916.

To Hon. HENRY L. MYERS and
Hon. THOMAS J. WALSH,
Senators in Congress from Montana.

Sirs: We respectfully urge that you use your best efforts to secure the final passage in its present form of Senate bill 1059, relating to the

appraisal of homestead lands on the Flathead Reservation made by the classification commission of 1912 and 1913.

Also, many of our settlers are vitally interested in lines 3 to 12, on page 26, of the Indian appropriation bill (H. R. 10385) relating to sparsely timbered lands on the Flathead Reservation. We ask your best efforts to secure its final enactment, with the following amendments:

(1) The insertion of the words "or grazing" between the words "horticultural" and "purposes," in line 4, page 26 of same, and the striking out of the word "or" after "agricultural."

(2) That the following provision be added after line 12 on page 26 of said bill:

"That qualified persons who have heretofore applied for or settled upon such timbered lands, or who have entered or settled upon adjoining lands, and have made proper homestead application for such lands, shall not be required to pay more for said lands than the highest amount specified by the Flathead Commission of 1907 and 1908 for lands therein of like character and similar classification."

We voice the sentiment of the valley and all the settlers in distress over their land applications, by urging your very best efforts in our behalf to make these provisions into law at this session.

Yours, very truly,

FLATHEAD SETTLERS' ASSOCIATION,
W. H. HOWE, Chairman,
JOHN MCGRANN, Secretary,
CHAS. E. TREKELL,
Committee on Resolutions.

BIG ARM, MONT., March 8, 1916.

Mr. MYERS. I present the petition of Chester W. Howe, of Montana, praying for an adequate appropriation for the Flathead reclamation project in that State. I ask that the petition be printed in the RECORD and referred to the Committee on Indian Affairs.

There being no objection, the petition was referred to the Committee on Indian Affairs and ordered to be printed in the RECORD as follows:

To the PRESIDENT AND CONGRESS OF THE UNITED STATES,
Washington, D. C.

GENTLEMEN: As one of the unit holders occupying land within the Flathead project, I desire to submit for your consideration the following:

At the invitation of the Government I entered upon an irrigable unit embraced in the Flathead project, under promise by the Government that my land would be irrigated either in whole or in part, and after more than five years of watchful and patient waiting this project is now about 25 per cent completed, and as a result of the Government's failure to carry out its express and implied pledges made to us at the time we made entry many of the unit holders have been compelled to temporarily or permanently abandon their homes.

We maintain that the treatment accorded to us has been very unfair and not in harmony with the promises made us when we settled upon these arid lands, and we can see no good reason for the Government's procrastinating methods in dealing with this project up to this time. It is to the interest of both the Indian and white man that this project and all other good laws be prosecuted more vigorously, and the lands will amply stand for all construction and maintenance charges, provided the work is carried on in an economical and businesslike manner.

All funds expended in connection with the project are reimbursable either to the Indian or the Government, and the sooner this reclamation scheme is completed the sooner the Indian will be reimbursed for the money he has invested on account of same.

In view of the foregoing facts I respectfully request that Congress grant an appropriation for at least a million dollars for construction work on this project during the ensuing year.

Respectfully submitted.

CHESTER W. HOWE.

Mr. HITCHCOCK presented a memorial of sundry citizens of Howard County, Nebr., remonstrating against an increase in armaments, which was referred to the Committee on Military Affairs.

Mr. SAULSBURY presented petitions of sundry citizens of Delaware, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. JOHNSON of Maine presented petitions of sundry citizens of Maine, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. SHEPPARD presented memorials of sundry citizens of Texas, remonstrating against the enactment of legislation to limit the freedom of the press, which were referred to the Committee on Post Offices and Post Roads.

He also presented memorials of sundry citizens of Texas, remonstrating against the enactment of legislation to make Sunday a day of rest in the District of Columbia, which were ordered to lie on the table.

Mr. ROBINSON presented a petition of sundry citizens of Dumas, Ark., praying for national prohibition, which was referred to the Committee on the Judiciary.

Mr. GRONNA presented petitions of sundry citizens of North Dakota, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of North Dakota, remonstrating against the enactment of legislation to limit the freedom of the press, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of the Nome-Seward Peninsula Chamber of Commerce, Nome, Alaska, praying for the adoption of certain changes in the postal regulations relating to Alaska,

which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of Local Division No. 54, Order of Railroad Telegraphers, of Deisem, N. Dak., praying for the enactment of legislation to limit the hours of service of telegraph operators on railroads, which was referred to the Committee on Interstate Commerce.

Mr. LANE presented petitions of sundry citizens of Oregon, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. GALLINGER presented petitions of Charles C. Sturtevant and 28 other citizens, and of the congregation of the First Congregational Church of Keene, in the State of New Hampshire; of the congregation of St. Jerome's Total Abstinence Beneficial Society, of Holyoke, Mass.; and of Walter S. Wright and 20 other citizens, of Newtown, Pa., praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of Maud Hartnett, Beatrice Planter, Elizabeth Hickey, and Mary Holman, all of Keene, in the State of New Hampshire, praying for the enactment of legislation to further restrict immigration, which were referred to the Committee on Immigration.

Mr. CLAPP presented a memorial of the Trades and Labor Assembly of Brainerd, Minn., remonstrating against the proposed repeal or modification of the so-called seamen's law, which was referred to the Committee on Commerce.

He also presented a memorial of the Institute of Fine Arts, of Minneapolis, Minn., remonstrating against the erection of a central heating, lighting, and power plant on the banks of the Potomac River in the District of Columbia, which was ordered to lie on the table.

He also presented a memorial of the Commercial Club of Mankato, Minn., remonstrating against the proposed repeal of the so-called mixed-flour law, which was referred to the Committee on Agriculture and Forestry.

Mr. ASHURST. I present resolutions adopted by the Democratic State committee of Arizona, assembled in Phoenix on the 4th instant, which I ask may be printed in the Record.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the Record, as follows:

Resolution proposed by Mrs. F. C. Struckmeyer, of Phoenix, third vice chairman of the Maricopa County Democratic Club, representing the Arizona Congressional Union for Woman Suffrage.

Resolved, That we, the Democratic State Committee of Arizona, assembled in Phoenix this 4th day of March, 1916, in response to the desires of the women voters of our State, urge Congress to pass forthwith on to the legislatures of the several States for ratification the Susan B. Anthony amendment, known in this Congress as the Sutherland-Mondell resolution. We recommend this action in no spirit of party advantage, but solely with the desire that the women of America may be placed on the same political plane as the men of the Nation, and because we recognize that it is unwise to delay longer the establishment of equality between the women of the East and West.

Resolved, That a copy of this resolution be sent to President Woodrow Wilson; Speaker CHAMP CLARK; Senator KERN, majority leader in the Senate; Representative KITCHIN, majority leader in the House; Representative HENRY, chairman of the Rules Committee of the House; Representative WEBB, chairman of the Judiciary Committee; and to the entire Congress, through the Arizona congressional delegation, to be read into the CONGRESSIONAL RECORD by Senators ASHURST or SMITH of Arizona in the Senate and by Representative HAYDEN in the House.

Mr. JONES presented a petition of sundry citizens of Seattle, Wash., praying for the enactment of legislation to provide for the naturalization of married women, which was referred to the Committee on the Judiciary.

Mr. TOWNSEND presented petitions of sundry citizens of Michigan, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Hillsdale and Glenwood, in the State of Michigan, remonstrating against the enactment of legislation to make Sunday a day of rest in the District of Columbia, which were ordered to lie on the table.

He also presented a petition of the Anti-Tuberculosis Society of Grand Rapids, Mich., and a petition of the Anti-Tuberculosis Society of Saginaw, Mich., praying for an investigation into the conditions surrounding the marketing of dairy products, which were referred to the Committee on Agriculture and Forestry.

He also presented a petition of Local Branch, Federation of Women's Missionary Associations, of Ann Arbor, Mich., praying for the adoption of an amendment to the Constitution to prohibit polygamy, which was referred to the Committee on the Judiciary.

Mr. McLEAN presented memorials of Local Branch No. 15, Workmen's Circle; of the Independent Workmen's Circle; of the Bottle Sorters' and Washers' Union; of Local Branch No. 2, Socialist Party; of the Young Peoples Socialist League; of Local Lodge No. 287, Order of B'nai Abraham; and of Progressive Lodge No. 162, Independent Order B'nai B'rith, all of

Hartford; and of Horeb Lodge No. 25, Independent Order B'nai B'rith, of New Haven, all in the State of Connecticut, remonstrating against the enactment of legislation to further restrict immigration, which were referred to the Committee on Immigration.

He also presented petitions of sundry citizens of Middletown and Southington, in the State of Connecticut, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented petitions of sundry citizens of East Hampton and Bridgeport, in the State of Connecticut, praying for Federal censorship of motion pictures, which were referred to the Committee on Education and Labor.

He also presented a petition of Local Division No. 425, Amalgamated Association of Street and Electric Railway Employees of America, of Hartford, Conn., praying for the enactment of legislation to further restrict immigration, which was referred to the Committee on Immigration.

He also presented a memorial of the Porter Library Association of Coventry, Conn., remonstrating against the enactment of legislation to fix a standard price for manufactured articles, which was referred to the Committee on Education and Labor.

He also presented a petition of Local Branch No. 192, National Association of Letter Carriers, of New Britain, Conn., praying for the enactment of legislation to grant pensions to employees of the Postal Service, which was referred to the Committee on Post Offices and Post Roads.

Mr. OVERMAN presented petitions of sundry citizens of North Carolina, praying for national prohibition, which were referred to the Committee on the Judiciary.

Mr. HUGHES presented memorials of sundry citizens of New Jersey, remonstrating against the enactment of legislation to make Sunday a day of rest in the District of Columbia, which were ordered to lie on the table.

He also presented petitions of sundry citizens of New Jersey, praying for prohibition in the District of Columbia, which were ordered to lie on the table.

He also presented petitions of sundry citizens of New Jersey, praying for the placing of an embargo on munitions of war, which were referred to the Committee on Foreign Relations.

Mr. LEA of Tennessee presented petitions of sundry citizens of Tennessee, praying for national prohibition, which were referred to the Committee on the Judiciary.

He also presented a memorial of the Germania Turnverein, of Memphis, Tenn., remonstrating against prohibition in the District of Columbia, which was ordered to lie on the table.

He also presented a petition of the Germania Turnverein, of Memphis, Tenn., praying for a revision of the naturalization laws, which was referred to the Committee on the Judiciary.

Mr. PHELAN presented a petition of the Chamber of Commerce of Brawley, Cal., praying for the enactment of legislation to grant pensions to civil-service employees, which was referred to the Committee on Civil Service and Retrenchment.

He also presented a petition of sundry citizens of Chico, Cal., praying for the enactment of legislation to grant pensions to employees of the Postal Service, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of the Stable and Garage Employees Union, of San Francisco, praying for the printing of the report of the Commission on Industrial Relations, which was ordered to lie on the table.

He also presented a memorial of the Peacemakers' Committee of Pacific Coast Churches, of Los Angeles, Cal., remonstrating against an increase in armaments, which was referred to the Committee on Military Affairs.

Mr. JOHNSON of South Dakota. I present a petition of the Commercial Club of Oacoma, S. Dak., which I ask may be printed in the Record and referred to the Committee on Commerce.

There being no objection, the petition was referred to the Committee on Commerce and ordered to be printed in the Record, as follows:

Resolution.

Whereas the last session of the Dakota Legislature adopted house joint resolution No. 6 memorializing Congress and our Senators and Representatives in Congress to use all honorable means at their command to compel the Chicago, Milwaukee & St. Paul Railway Co. to construct a permanent railway bridge across the Missouri River at the city of Chamberlain, S. Dak.; and

Whereas the conditions stated in said joint resolution existed at that time and still continue to exist; and

Whereas, pursuant to the instructions of said joint resolution, the Representative from the third congressional district of the State of South Dakota, Hon. HARRY L. GANDY, has introduced in the House of Representatives a bill which will, if passed, compel the Chicago, Milwaukee & St. Paul Railway Co. to commence actual construction of a permanent bridge across the Missouri River between the counties of Brule and Lyman at some point at or near the city of Chamberlain, D. Dak., within one year from the date of its passage and approval; and

Whereas the welfare and development of this section of the State is dependent to a large extent upon the erection of such a bridge: Therefore be it

Resolved by the Commercial Club of the town of Oacoma, in Lyman County, S. Dak., That the Senate and House of Representatives of the United States of America be, and they are hereby, urged to take prompt action upon said bill and pass it at the earliest possible moment; and be it further

Resolved, That a copy of this resolution be sent to the Senate and House of Representatives of Congress and to our Senators and Representatives in Congress.

Done at Oacoma, S. Dak., this 28th day of February, 1916, by the Commercial Club.

THE OACOMA COMMERCIAL CLUB,
By T. B. STRONG, *President*,
By M. Q. SHARPE, *Secretary*.

Mr. JOHNSON of South Dakota. I present a petition of the Merchants' Association, of Watertown, S. Dak., which I ask may be printed in the RECORD and referred to the Committee on Education and Labor.

There being no objection, the petition was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

WATERTOWN, S. DAK., February 15, 1916.

Hon. E. S. JOHNSON, Yankton, S. Dak.

DEAR SIR: The Merchants' Association of Watertown, S. Dak., in general meeting assembled, February 8, 1916, passed the following resolution:

"Be it resolved by the Merchants' Association of Watertown, S. Dak., That we recognize the need for and do favor the passage of the proposed law for the control of retail prices on manufactured articles, known as the Stevens bill, H. R. 13305, now before Congress; and this association does hereby endorse the said proposed law, and does urge and request our Representatives in Congress to use their best efforts to assist in the passage of said law, and that our members shall each use his best effort to assist and support our Representatives in their action on this matter."

Watertown, S. Dak., February 8, 1916.

MERCHANTS' ASSOCIATION OF WATERTOWN, S. DAK.,
By JOHN MOREY, *Secretary*.

REPORTS OF COMMITTEES.

Mr. SWANSON, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 3405) for the relief of the Maine Central Railroad Co., reported it without amendment and submitted a report (No. 257) thereon.

Mr. LANE, from the Committee on Fisheries, to which was referred the bill (S. 1550) to authorize the establishment of fish-cultural stations on the Columbia River or its tributaries, in the State of Oregon, reported it with an amendment and submitted a report (No. 258) thereon.

He also, from the Committee on Forest Reservations and the Protection of Game, to which was referred the bill (S. 4418) to establish game sanctuaries in national forests, and for other purposes, reported it with amendments and submitted a report (No. 259) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 5066) authorizing and empowering the Secretary of War to grant a revocable permit to the University of Utah to lay pipe lines, construct a storage reservoir on the Fort Douglas (Utah) Military Reservation, and to use the surplus water of the reservation; to the Committee on Military Affairs.

By Mr. JONES:

A bill (S. 5067) to regulate commerce between the United States and foreign countries, to restore and maintain American ships in the foreign trade, to aid in the national defense, and promote the general welfare; to the Committee on Commerce.

By Mr. STERLING:

A bill (S. 5068) granting a pension to Henry F. Walton (with accompanying papers); to the Committee on Pensions.

By Mr. ASHURST:

A bill (S. 5069) to authorize the Secretary of the Treasury, the Secretary of War, and the Secretary of Agriculture to make an investigation and report as to the necessity, suitability, and practicability of the erection of Government owned and operated plants for the fixation of atmospheric nitrogen; to the Committee on Military Affairs.

By Mr. OVERMAN:

A bill (S. 5070) granting a pension to Ollie H. Finley; to the Committee on Pensions.

By Mr. JOHNSON of Maine:

A bill (S. 5071) granting an increase of pension to Ebenezer Ricketts (with accompanying papers);

A bill (S. 5072) granting an increase of pension to George S. Thing (with accompanying papers);

A bill (S. 5073) granting an increase of pension to Allen T. Hodgkins (with accompanying papers); and

A bill (S. 5074) granting an increase of pension to Florence Shaler; to the Committee on Pensions.

By Mr. KERN:

A bill (S. 5075) granting an increase of pension to Robert O. Whitten; and

A bill (S. 5076) granting an increase of pension to George W. Richards; to the Committee on Pensions.

By Mr. PHELAN:

A bill (S. 5077) granting an increase of pension to Mrs. Lucinda A. Sullivan (with accompanying papers); to the Committee on Pensions.

By Mr. OWEN:

A bill (S. 5078) to amend the act approved December 23, 1913, known as the Federal reserve act; and

A bill (S. 5079) to amend section 6 of an act to define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes, approved March 14, 1900, as amended by the acts of March 4, 1907, and March 2, 1911; to the Committee on Banking and Currency.

WITHDRAWAL OF TROOPS FROM THE PHILIPPINES.

Mr. SHERMAN. Mr. President, the Senate has recently passed a bill recognizing within a few years the ability of the Philippine people for self-government. This implies necessarily a transfer of sovereignty now in the United States to the Philippine people. I am opposed to such a measure. It, however, has passed this Senate. The people of those islands have been led by the declared purpose of this measure to expect within the time named complete self-government and the assumption of sovereignty. The United States, whether wisely or unwisely, must accept the consequences resulting from the bill. If we retrace our steps it will produce widespread discontent among the Filipinos. If we adhere to the declared purpose we must accept our relinquishment of power and consequently ought no longer be charged with full responsibility for the protection or control of the islands.

The Philippine Scouts remaining in the islands are 5,755. They are natives but have been trained by United States officers. There is in addition a native constabulary for the preservation of public order and for local purposes incident to that service. The 11,991 enlisted men and 520 officers of the Regular Army of the United States are paid and maintained by our Government. The Philippine Scouts are also maintained and paid in like manner, I am informed. If conditions are at all within bounds as described here by the Senators who supported the bill, the Filipinos ought to be able, with the scouts, the constabulary named, and such native forces as a potential self-governing people can supply, to police the islands, maintain order, and adequately protect life and property without the further presence of the officers and troops proposed to be withdrawn by this resolution.

A people that within the period contemplated in Senate bill 381 is to assume complete sovereignty, exercise the right of self-government, and become an independent nation ought to be given a probationary time to demonstrate their fitness for such responsibility. If the experiment should fail before the United States has completely relinquished its sovereignty and surrendered entire possession of the islands, this Government can repair the error with much less difficulty and misunderstanding among all concerned. It is with this view that I am induced to make the proposal embodied in the joint resolution which I send to the desk and ask that it be printed in the RECORD and referred to the Committee on Military Affairs.

The joint resolution (S. J. Res. 115) authorizing the withdrawal of United States troops from the Philippines was read the first time by its title, the second time at length, and referred to the Committee on Military Affairs, as follows:

Whereas the United States Senate did, on February 4, 1916, pass an act (S. 381) establishing the future political status of the people of the Philippine Islands, wherein the President is "authorized and directed to withdraw and surrender all right of possession, supervision, jurisdiction, control, or sovereignty now existing and exercised by the United States in and over the territory and people of the Philippines"; and

Whereas the independence of said Philippines is fully recognized in said bill as a separate and self-governing nation and such transfer of possession, sovereignty, and governmental control shall be completed and become absolute in not less than two years nor more than four years from the date of the approval of the act; and

Whereas full power to take the several steps necessary to institute such government is conferred upon the Philippines by the aforesaid bill, thus granting to them the opportunity of complete rights of civil government and indicating confidence in their ability to govern themselves; and

Whereas there are now stationed in the Philippine Islands 520 officers and 11,991 enlisted men of the Regular Army of the United States, who are maintained there at an annual expense of \$1,814,095 in excess of the maintenance cost of these same troops in the United States; and

Whereas these troops are acclimated and thoroughly seasoned for a rigorous campaign in a tropical country, and if the reasons and alleged conditions which led to the passage of the aforesaid bill are well founded, their presence is no longer necessary for the maintenance of civil government in the Philippine Islands; and

Whereas there will remain in the Philippine Islands a force of 5,755 native scouts, which may be supplemented, if necessary, by native forces so as to exercise some of the rights of self-government under the guidance and protection of the United States; and

Whereas there appears to be an inadequate force of United States troops for the proper protection of American life and property on the Mexican border, with the result that repeated violations by bands of murderers from Mexican territory of the rights of American citizens within the territorial limits of the United States have occurred without their apprehension so as to provide for the future safety of our border: States: Therefore be it

Resolved, etc., That the Secretary of War be, and is hereby, authorized and directed to withdraw from the Philippine Islands with such dispatch as may be practicable all officers and enlisted men of the United States Army.

PENSIONS TO INDIAN WAR VETERANS.

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (H. R. 655) to pension the survivors of certain Indian wars from January 1, 1859, to January, 1891, inclusive, and for other purposes, which was referred to the Committee on Pensions and ordered to be printed.

AMENDMENTS TO ARMY APPROPRIATION BILL.

Mr. CURTIS submitted an amendment proposing to appropriate \$22,500 for repairing Government (Engineers) bridge over the Kansas River on the Fort Riley Military Reservation in Kansas, intended to be proposed by him to the Army appropriation bill, which was referred to the Committee on Military Affairs and ordered to be printed.

He also submitted an amendment proposing to appropriate \$12,000 for the repair, rebuilding, and completion of the macadam road on the Fort Riley Military Reservation, Kans., intended to be proposed by him to the Army appropriation bill, which was referred to the Committee on Military Affairs and ordered to be printed.

WATER-POWER SITES.

Mr. NORRIS submitted three amendments intended to be proposed by him to the bill (H. R. 408) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes, which were ordered to lie on the table and be printed.

FUNERAL EXPENSES OF THE LATE SENATOR SHIVELY.

Mr. KERN submitted the following resolution (S. Res. 130), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the President of the Senate in arranging for and attending the funeral of the late Senator BENJAMIN F. SHIVELY, vouchers for the same to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. LEA of Tennessee subsequently said:

From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment the resolution submitted by the Senator from Indiana [Mr. KERN] this day providing for the funeral expenses of the late Senator SHIVELY.

Mr. KERN. I ask unanimous consent for the present consideration of the resolution.

The resolution was considered by unanimous consent and agreed to.

LIMITATION OF DEBATE.

Mr. SMITH of Georgia. In pursuance of the notice I gave on yesterday, I submit a resolution proposing an amendment to the rules, and ask that it may be read and referred to the Committee on Rules.

The resolution (S. Res. 131) was read and referred to the Committee on Rules, as follows:

Resolved, That the Standing Rules of the Senate be, and they hereby are, amended as follows:

At the close of Rule XXII add:

"Provided, however, If 32 Senators present to the Senate before the reports of standing and select committees provided for in the order of business during the morning hours a signed motion to bring to a close the debate upon a bill which is the unfinished business, thereupon at the hour of 2 o'clock the Chair shall, without debate, put the question to the Senate:

"Is it the sense of the Senate that the debate should be brought to a close?"

"And if that question shall be decided in the affirmative by a two-thirds vote, then said bill shall be in order to the exclusion of all other business."

"Thereafter no Senator shall be entitled to speak more than one hour on the bill, the amendments thereto and motions affecting the same, and it shall be the duty of the Chair to keep the time of each Senator who speaks. Until the bill is disposed of no dilatory motion shall be in order, and appeals from the decision of the Chair shall be decided without debate."

COMMITTEE ON FLOOD CONTROL.

Mr. SHEPPARD. Pursuant to my notice of yesterday, I submit a resolution proposing an amendment to the rules, which I ask may be referred to the Committee on Rules.

The resolution (S. Res. 132) was referred to the Committee on Rules, as follows:

Resolved, That the standing rules of the Senate be, and they hereby are, amended as follows:

Amend Rule XXV by inserting, after the paragraph reading as follows:

"A Committee on the Five Civilized Tribes of Indians, to consist of 5 Senators,"

The following paragraph:

"A Committee on Flood Control, to consist of 17 Senators."

MANUFACTURE OF ARMOR.

Mr. WEEKS. Mr. President, I wish to state that to-morrow, March 13, 1916, after the conclusion of the routine morning business, I propose to address the Senate on the armor-plant bill.

Mr. ASHURST. Mr. President, on yesterday I gave notice that upon the conclusion of the routine morning business to-day I would address the Senate briefly on the subject of the armor-plant bill. I wish now to state that I will not consume the time of the Senate during the morning hour, but that if I can secure recognition immediately after the hour of 2 o'clock to-day I will make my brief speech.

Mr. OLIVER. Mr. President, I desire to give notice that on Tuesday next, March 21, 1916, at the conclusion of the routine morning business, I shall address the Senate in opposition to the armor-plant bill.

The VICE PRESIDENT. Morning business is closed.

THE POSTAL SERVICE.

Mr. BANKHEAD. I ask unanimous consent that the Senate resume the consideration of House bill 562.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 562) to amend the act approved January 25, 1910, authorizing a postal savings system.

Mr. REED. Mr. President, on yesterday I objected to the passage at that time of section 2 of the bill now under consideration. I stated my reasons at that time for desiring that the bill be not passed in its present form and at that time. I particularly wanted an opportunity to examine the bill to ascertain what its practical workings might be.

I adhere to the view that everything ought to be done to concentrate in the Federal reserve banks all moneys for which the Federal Government is in any way responsible; this to the end of strengthening the Federal Reserve System. Upon examination as to the practical effect of this bill, however, I am convinced that the advantages accruing through the greater latitude that will be permitted to the postal authorities will more than overbalance such disadvantages as may come from a withdrawal of some of the funds that otherwise might go into the Federal reserve banks. I am further informed, and I think reliably, that many of the Federal reserve banks have declined to receive the deposits from the postal savings banks because of the high rate of interest the Government exacts. Therefore, balancing one advantage against the other advantage, I think I should say to the Senate that, as far as I am concerned, I shall make no further opposition to the adoption of section 2.

Mr. GALLINGER. Mr. President, on a former occasion I made opposition to some features which are incorporated in this bill, especially regarding the amount that an individual could deposit; but I have no disposition to renew the opposition to the provisions of the bill in that regard.

I desire to say, however, that, in my opinion, it is unfortunate that so much matter has been added to this bill that has no relation whatever to the Postal Savings System. The statute now in force which was approved June 25, 1910, relates exclusively to the Postal Savings System. The amendment that was made to that bill September 23, 1914, likewise relates exclusively to that system.

Mr. President, I think it unfortunate that we should put on the statute books a bill relating to this important subject and have it complicated with legislation that has no relation whatever to the subject matter we are considering. The provisions of this bill are duplicated to a large extent in the Post Office appropriation bill, which is before us. Of course those provisions can be stricken from that bill, but it seems to me they are much more appropriate on that bill than they are in this bill. It would be still more appropriate to bring in this extraneous matter in a separate bill, which might have been done, and probably passed without any objection, and then we would have had on the statute books, as we have now, a law relating exclusively to this one subject, so that when we wanted to ascertain

anything about the matter we could turn to the statute and find exactly the provisions of the law.

As now proposed, if we pass this bill we will have a statute relating to the Postal Savings System with provisions relating to the postal clerks, the weighing of mails, contracts for carrying the mails, star routes, compensation of postmasters, and various other provisions of a general nature. As already suggested, all such provisions should have been incorporated in a separate bill.

Mr. President, I simply wanted to say that I think it was unfortunate to prepare the bill in the form it now is, but if the Senator from Alabama feels, as I apprehend he does, that this is the most expeditious way to get the legislation, possibly the best way under existing conditions, I shall interpose no objection beyond stating my view as to the form in which I think the bill ought to have been reported to the Senate.

Mr. BANKHEAD. Mr. President, I am inclined to agree with much that the Senator from New Hampshire has said; but it is far better to put these provisions in this bill than on an appropriation bill. That was the reason mainly that the bill was drawn in the form that it is. I do not think it complicates the postal savings bank bill in any way whatever.

Mr. HARDWICK. If the Senator will yield to me for a moment, it was also done because the Postmaster General insisted that there were urgent reasons for immediate action.

Mr. GALLINGER. I understood that to be the case.

Mr. WEEKS. Mr. President, I think what the Senator from New Hampshire [Mr. GALLINGER] has said will be agreed to by almost anyone, that the injection of foreign matter into a bill which is special in its character is, generally speaking, unjustifiable. I think it is just as unjustifiable when passed in an appropriation bill as it is in a case of this kind.

The fact is that the Post Office Department has not had any general legislation of an administrative character since the 4th of March, 1913. These matters which have been pending and have been considered by committees have been parts of bills. They are unobjectionable in themselves, and they ought to be adopted to enable the department to carry on its routine business. It seemed to the committee for that reason that this is the time, the expeditious time, for action, in order to give the department a free hand in the conduct of the post-office business.

There is one matter, however, about which I wish to say a word, not on one of the amendments to the bill but the bill itself. Undoubtedly there were sound reasons for the passage of the postal savings bank bill. It was supposed to be true, and has been demonstrated to be true, that there would be a very considerable amount of money hoarded, largely because people of foreign extraction who had not been long in this country and who had been familiar with Government banks did not feel secure in putting their money in banks which we had established. It has been demonstrated that that is true, because the sending of money to foreign countries to be deposited in Government banks has very greatly decreased since the passage of the postal savings bank bill.

I think myself that in every way the law has justified itself and is working well. Some \$80,000,000 are now deposited in postal savings banks, redeposited in local banks, and therefore going into circulation for the benefit of the communities where the money belongs instead of very largely being sent to foreign countries, as was done in the past.

But this bill goes further in the direction of postal savings banks or any bank which is essentially a savings bank than I believe is justified. It gets into the area of paternalism pure and simple. I am not opposed to some reasonable extension of the original law. If under some conditions the depositor wishes to deposit \$1,000, I do not think that is unreasonable; but when we provide that \$1,000 may be deposited bearing interest and another \$1,000 not bearing interest, it practically provides that any person who wants to have the Government become the guardian of his money temporarily may deposit it in a post office and the Government is responsible for that money. In a week or two weeks or three weeks the man may wish to use it, and he simply makes the Government responsible for his funds instead of depositing it in a bank. That is not the duty of a savings bank; neither is it the province of a real savings bank to receive deposits aggregating \$2,000. In the State of Massachusetts the limit of deposits which may be placed in a savings bank, including interest, is \$1,600; and no man who has \$1,000 to deposit could get a savings bank—for instance, in the city of Boston—to take it and care for it, because the answer would be to that inquirer for a place to put his money, "If you have \$1,000, you are probably as competent to invest your money as are the officers of this bank."

It is not the province of a savings bank to take considerable sums of money from individuals. When you get into that area you are making a purely paternalistic measure of this, and I think for that reason it is undesirable that the law should be extended as far as it is provided in this bill.

I wish to say frankly that I did not succeed in convincing the Post Office Committee that my views should obtain. Very largely the committee were opposed to the conclusions to which I have come, but I have sought this opportunity to briefly state them, because I think it is a wrong tendency in government, and I do not think it was the original purpose of those who had a part in the postal savings bank legislation.

Mr. NORRIS. Before the Senator takes his seat—

Mr. WEEKS. I yield.

Mr. NORRIS. Like many other Senators I had no opportunity to examine the bill before it was called up. I wish to ask the Senator in reference to a provision, I think, in section 2, where in effect it is provided that money shall be deposited in all cases in banks that belong to the Federal Reserve System, unless in towns where there are no such banks.

Mr. WEEKS. Yes; that is the provision.

Mr. NORRIS. I should like to ask the Senator why that limitation is made.

Mr. WEEKS. Mr. President, I prefer to have the chairman of the committee answer an inquiry of that kind, but I will say, from my own standpoint, that it is the duty of the Government to do business with its own agents. All national banks, all of which are members of the Federal Reserve System, are its agents under the law. This amendment provides that where there are no agents of the National Government in a town or community the money may be deposited in a State bank or trust company, provided there is such a bank located there. That is in accord with good administration, in my judgment. A community may be located 25 or 30 or 40 miles from any place where there is a national bank or a member bank of the reserve system. There may be a considerable deposit made in the post office of that community. It is necessary for the postmaster under the present law to send that money to a town where the member bank of the Federal Reserve System is located or to put the money in his own safe. The safe provisions in post offices are not in any sense secure. In many small post offices there are no safes. The Government is responsible for the money, and there is no safe place to put it. Furthermore, if the money is sent to another town or another community, it gets away from the original idea of the law that the money should be redeposited in the local community. The State bank must give security for that money, as would be done in the case of a deposit with any other bank. Therefore it seems to me wise and reasonable that it should be done.

Mr. NORRIS. I do not think the Senator got the point of my objection. I am not complaining that the law provides that it can be deposited in a State bank where there is no member bank, but this provides, in substance, as I understand it, that in cases where there are both kinds of banks, State and National, the deposit must always be made in the member bank.

Mr. WEEKS. I think the Senator will recall that when this legislation was originally passed there was a good deal of controversy on the subject as to whether a portion of the money should be deposited in State banks. The law, after full discussion, was passed as it now stands on the statute book. My own opinion is, as I stated in the first sentence in my answer to the Senator's inquiry, that the Government should do business with its own agents. Its own agents are members of the Federal Reserve System in the various localities; they are inspected under regulations made by the Government, and in every sense it seems to me that it is good business and good administration that, as far as possible, moneys received on account of these deposits should be deposited in national banks.

Mr. SMOOT. Mr. President, when the postal savings bank bill was first before the Senate the question as to the amount of money that should be allowed to be deposited by any one person was discussed for hours. When it was finally decided that the amount should be \$500 some Senators thought that was too much. As the object of the bill was to get into circulation money that we supposed was in hiding in small amounts and, as has well been said, by foreigners or people of foreign birth, I had no objection to the \$500 provided for in the bill. I really think that that should be the amount, and it should be the limit.

When this bill was first presented to the Senate there was opposition to the increase of that amount. Under the conditions existing to-day, Mr. President, I shall not now object to increasing the amount to \$1,000, although I do believe that it will be an unwise step to take, and certainly if conditions were normal.

I am not one who believes that when a man saves a thousand dollars and desires to invest it he ought to be allowed to deposit it temporarily in a post office in a little town with no provisions to make it secure, and the Government being responsible for the amount if it is lost.

I do not want to delay the passage of the bill. My opposition would not go that far, but I did hope the committee would stop with allowing one person to deposit \$1,000, on which he would be paid interest. However, they have gone further than that and have provided that the board of trustees may, in their discretion and under such regulations as such boards may promulgate, accept additional deposits not to exceed, in the aggregate, \$1,000 for each depositor, but upon which no interest shall be paid.

Mr. President, there is no doubt in my mind but that the money which will be deposited under that provision will be deposited temporarily and be deposited for safe-keeping by the Government. It will not remain with the Government long, perhaps 10 days or 20 days or 30 days, until the depositor can find some profitable investment to make or until he can make some turn in stocks of some kind in which he may invest it more profitably.

That is not what the Postal Savings System was created for. This policy does not instill in the people a desire to accumulate or save. But this law will not be used for the purpose of allowing an individual to deposit a thousand dollars with the privilege of drawing interest on it and then another thousand dollars with no interest to be paid by the Government. That, Mr. President, I believe is the unfortunate part of the bill.

I am in full accord with what the Senator from Massachusetts [Mr. WEEKS] said in regard to it. I should like to ask the chairman of the committee upon what basis and for what reason the last provision was included in the bill?

Mr. BANKHEAD. The bill, it must be understood, in the original plan and now is mainly for the convenience and accommodation of our foreign-born citizens. Ninety-eight per cent of all the money deposited in the postal savings banks has been deposited by that class. The Post Office Department were of the opinion that if they were permitted to deposit \$1,000 and get the interest and allowed to deposit an additional \$1,000 on which they get no interest, then it would bring a great deal of money out from hiding that otherwise would not come out. As to how long it is going to stay there no one can tell. It may stay there a long time, but I do not suppose it will stay a very long time when no interest is paid on it.

Mr. MARTINE of New Jersey. If the Senator from Utah will yield to me for a moment, I recall very well that about two months ago the postmaster at Passaic, N. J., a veritable hive of industry, was here in Washington, and the matter of postal savings was discussed between him and myself. He urged that the limit be made not less than \$2,000. I said that would be unheard of. Said he, "Senator, I have had two parties in Passaic within a month, one having nineteen hundred dollars and the other a thousand dollars, who wanted me to take it. I told them I had no authority to take such a sum." I said to the postmaster that they could take it to the savings bank. He said, "No; they would not put it in the savings bank; that they are afraid of institutions of that character." He said they told him, "If your Government will take it, I will be perfectly satisfied for safe-keeping, even though I get no interest."

I recall that I asked him if he could not put in writing some of the highest deposits he had. He had many that were \$1,100 and \$1,200. These were mainly, as the Senator from Alabama states, from foreigners, naturalized or otherwise. They were working in the mills of Passaic and the mills of Paterson. They were great accumulators and great savers, and to increase the limit would be to take it out from the stocking legs and the hidden drawers and bring it to some purpose. They were perfectly satisfied to leave it even without interest in the post office rather than have it in a savings bank. One of them said, "Oh, no, no; no bank. Your Government take it, and I will be satisfied."

Mr. SMOOT. Mr. President, I think if the case of the man who had the \$1,900 had been looked into it would be found that his disinclination to deposit in a bank was not so much because of the fact that he had a fear of the safety of the bank as it was that the bank required certain notifications before he could draw the money out.

Mr. MARTINE of New Jersey. Mr. President, I can not answer as to that, but I know the general impression that I gained from him was that it was their distrust—possibly a foolish distrust—of the banks. Another man said that in his country they had Government banks; but there were no such banks here. I can not now recall the name of the gentleman, but it was the postmaster at Passaic who made this statement. He

said that some such legislation as this would unquestionably be a great advantage to these savers as well as to the Government.

Mr. THOMAS. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Colorado?

Mr. SMOOT. I yield.

Mr. THOMAS. I merely wish to add to the statement made by the Senator from New Jersey [Mr. MARTINE] an instance which I heard the Government director of the postal savings bank relate last summer in speaking of the effect of this small maximum or limitation upon deposits and the manner in which it interfered with the system. He gave a number of instances, one of which was that of a foreigner having \$500 in money upon his person, and who applied, I think, to the post office in New York City, if my memory serves me aright, for the making of a deposit. He produced his \$500; but upon being told that the deposit was limited to a maximum of \$100 he declined to make any deposit whatever.

Mr. SMOOT. I will say to the Senator that such a depositor would now have a right to deposit \$500.

Mr. BANKHEAD. But he could only deposit \$100 at a time.

Mr. THOMAS. I am giving this instance. As now stated by Senators upon the floor, I am aware that the maximum which may be deposited is \$500. This man was then advised to take his money to a bank, and he made practically the same reply as that which was stated by the Senator from New Jersey a moment ago.

Mr. SWANSON. If the Senator from Utah will permit me, it was stated by the officials of the department who appeared before the Post Office Committee, with reference to this bill, that applications had been made for large deposits, far exceeding even what is allowed here; but the department was satisfied that if we permitted a deposit of \$1,000 without paying interest, and arrangements could be made for the money to be promptly paid to the bank where the deposit was made, as a result it would get 2 per cent interest and pay none, it would have a tendency to make the system more profitable, and that a great many people desired to have this privilege. The banks would have the money, and arrangements would be made with that amount of money so that it would promptly be paid without any embarrassment to the banks or the people who made the deposits and with profit to the Government.

Mr. SMOOT. I think, Mr. President, there are individuals who may have two or three or four thousand dollars and might not have decided as to what investment they should make; but what I apprehend will be the result of this bill, if enacted into law, an individual of that kind will go to the post office of the town in which he lives, deposit the \$1,000, and it will remain with the Government but a very short time. The whole responsibility of keeping it—the safety of the money—will be thrown upon the Government of the United States. For the few days that the Government has the money—perhaps not long enough for the money to be transferred from the post office to the local bank and from the local bank to the United States depository with which that local bank deals—it would never be of any benefit whatever to the Government, and the Government would have to be responsible for the handling and the keeping of the money.

Mr. SWANSON. If the Senator from Utah will permit me, I wish to say, as to the local bank in the city, that the Government does not have responsibility, except between the time the money is put into the postal savings bank and deposited in the local bank. Arrangements could be made with the local banks, we were assured, by which these payments could be promptly made. The Government would pay no interest, and arrangements would be made with the banks for a certain rate of interest if it were called when needed.

In addition to that, this provision will be beneficial in a time of panic in a city when people lose confidence in the banks. Nearly everybody may know the bank is safe, yet the class of people who would avail themselves of this legislation do not know that. Consequently they could deposit money in the postal savings bank in the morning, the bank could give the security required, the Government would be absolutely safe, and the money could be put in the bank and the situation saved. It is thought that this will be one of the best features in connection with the legislation, especially in mining camps and in communities where there are a great many foreigners, who have not any confidence in banks. It would maintain stability of conditions, and the Government could very frequently save a panic and a run on the banks by having this legislation. As I have said, the Government does not lose anything, because it pays no interest.

Mr. CLAPP. Mr. President, will the Senator from Utah yield to me to make a suggestion?

Mr. SMOOT. Yes.

Mr. CLAPP. The time the Senator from Virginia suggests would be the very time when the depositor would not draw out his money from the post-office depository; that is when it would add stability to the finances of the community. I believed from the time this principle first began to be agitated that the more we could extend this system the better; that there could be no legislation adopted that would add so much to the stability of finances in a time of panic as would the postal savings bank.

Mr. SMOOT. Mr. President, if that were the theory of this legislation—

Mr. CLAPP. No; it is not the theory, but it is an incident that we may well take into account if properly adjusted to the original theory.

Mr. SMOOT. Of course, if that were the theory, then we ought to increase the amount; but I never understood that that was the object of the original legislation.

Mr. President, I do not desire to detain the Senate, as the Senator from Virginia having the bill in charge wants to secure its passage at once. There were, however, a number of other things which I desired to say in opposition to this last provision; but under the conditions I will conclude.

Mr. POINDEXTER. Mr. President, are amendments now in order to the pending proposed committee amendments?

The VICE PRESIDENT. They are.

Mr. POINDEXTER. I move to strike out on page 3, lines 5, 6, and 7, the words:

But the amount deposited in any one bank shall at no time exceed the amount of the paid-in capital and one-half of the surplus of such bank.

The same section provides on page 2, that the board of trustees shall take security "in public bonds or other securities, supported by the taxing power" for the deposits which are made in the banks. So that really there is no need for the limitation on page 3, of which I speak; and the effect of that limitation will be that the small country banks in the small towns having small capital will very soon reach the limit which they are allowed to take under this clause. Then the postal savings funds which originated there will have to be sent away to some large city, contrary to the general policy and purpose of the act, which was intended to encourage the retention of the funds in the community. I hope that the chairman of the committee will accept the amendment which I have offered.

Mr. SMOOT. Mr. President, just a word. The amendment proposed by the Senator from Washington, I believe, ought not to be adopted. All of our banking laws, both State and National, have in view the preventing of large loans to any one concern or individual. Under State laws the limit is generally 15 per cent, and under the national laws 10 per cent. It does seem to me that there ought to be a limit as to the amount which the Government may deposit in a bank. If one depositor has on deposit subject to call as much as the capital stock and 50 per cent of the surplus, it seems to me for the safety of the bank that is sufficient.

I know the Senator may say that before the money is deposited the Government will have security which may be sold in case a call is made. That is true; but it may be a great disadvantage to the bank to have a call made and the securities sold as provided for. I think that the provision referred to by the Senator from Washington is a very good provision, although, if the Senator having the bill in charge wants to accept the amendment, I shall offer no objection.

Mr. BANKHEAD. Mr. President, I am willing to accept the amendment in order that it may be considered more carefully when the bill gets into conference. It may be a good amendment, and therefore I accept it.

Mr. GRONNA. Mr. President, I do not think the objections made by the Senator from Utah [Mr. SMOOT] are at all effective. Before any postal savings funds are deposited in any bank the bank must deposit bonds with the Government of the United States.

Mr. SMOOT. That is what I said.

Mr. GRONNA. That security must be furnished before the postal savings funds can be deposited in a bank. The capital stock and surplus of a bank are not of themselves any additional security.

Mr. President, I understand the chairman of the committee has accepted this amendment. I think that is all the more reason why there should be no limitation placed upon the amount to be deposited in a bank, because this bill deals with a certain class of banks only. It prohibits the deposit of postal savings funds in State banks if there is a Federal reserve bank in the community. I believe that is an unfair discrimination. I realize, of course, that it is in the interest of the Federal reserve

banks, but if the Federal Reserve System is faulty, then, sir, we should repeal the law which created it. I am opposed to the provision of this bill which requires that only Federal reserve banks shall receive postal savings deposits in communities where there is a Federal reserve bank. There ought not to be such a discrimination. If the people of a community want to do business with a State bank, the Congress of the United States should not interfere. We should not prohibit or make it impossible for the postmaster to do business with that bank.

Mr. SWANSON. Mr. President, if the Senator will permit me, the present law requires all postal savings funds to be deposited in Federal reserve banks.

Mr. GRONNA. Yes; I am aware of that.

Mr. SWANSON. We passed last year a law which eliminated that provision and allowed such funds to be deposited equally in Federal reserve banks and State banks.

Mr. GRONNA. Yes.

Mr. SWANSON. The President vetoed that bill.

Mr. GRONNA. Yes.

Mr. SWANSON. And it could not be passed over his veto. This bill endeavors to compromise the situation by giving the first preference to the Federal reserve banks; and if there is no Federal reserve bank in a community, then the postal savings funds may be deposited in a State bank, so that the money will remain in the community where it was originally deposited. That is the main question, it seems to me, and I hope the Senator will not jeopardize this legislation by insisting on reopening a matter which we embodied in a bill 12 months ago and passed, but which was defeated by the presidential veto. This bill gives State banks a better opportunity than they will have if this bill is not enacted into law.

Mr. BANKHEAD. The State banks will be able to secure none of these deposits if this bill is defeated.

Mr. SWANSON. That is true; they will secure none if the bill is defeated. I know that in a great many States, including my State, the situation is very much like that in North Dakota; but it seems to me we are getting remedial legislation—not all that some desire, but still we are getting a provision which will allow postal savings funds to remain in the communities where the money is originally deposited.

Mr. GRONNA. Mr. President, I admit that if this provision is enacted into law it will be an improvement upon the present law, but we ought not to prohibit anybody from depositing money in State banks as well as in the national banks. The national banks, of course, must necessarily belong to the Federal Reserve System. I think it is unfair to a community where there are a great many State banks but only a limited number of national banks. Of course it is evident that legislation of this kind is passed for the purpose of compelling State banks to enter the Federal Reserve System.

Mr. BANKHEAD. Mr. President, will the Senator permit me for a moment?

Mr. GRONNA. Certainly.

Mr. BANKHEAD. Under the law as it now is postal savings funds must all go to the national banks—member banks of the Federal Reserve System. None of it can be deposited in a State bank under any circumstances. The purpose of this amendment to the law is to permit deposits to be made in State banks in communities where there is no Federal reserve bank. That is the whole of this proposition. If we fail to pass this bill the State banks will not get a cent, and can not under any circumstances get a cent, of the postal savings funds which may be deposited in banks. The law now compels all deposits to be made with banks which are members of the Federal Reserve System.

Mr. GALLINGER. Under the Federal reserve act that is required.

Mr. BANKHEAD. Yes; the Federal reserve act requires that.

Mr. GRONNA. Mr. President, I will say to the Senator from Alabama that I do not want to defeat this legislation. I have before me the Federal reserve act, and I find that on page 16, at the bottom of that page, it provides that all postal savings funds must be deposited in Federal reserve banks.

Mr. BANKHEAD. That is exactly what we are trying to get rid of by this amendment.

Mr. GRONNA. I am familiar with that, Mr. President, but I should like to see this bill amended so that postal savings funds may be deposited in any bank, whether a national bank or a State bank or a savings bank.

Mr. GALLINGER. That provision was in the original postal savings act.

Mr. GRONNA. Yes; I understand such a provision was in the original postal savings act.

Mr. GALLINGER. There was no discrimination; but that provision, of course, was practically repealed by the Federal reserve act, which provided differently.

Mr. GRONNA. I think the Senator from Alabama should permit us to amend this important bill by making it possible for State banks and trust companies to receive postal savings deposits, as well as national banks. That is my only objection to it.

Mr. BANKHEAD. Mr. President, to do that would simply mean no bill at all at this session of Congress.

Mr. POINDEXTER. Mr. President, I ask for a vote on the amendment which I submitted.

The VICE PRESIDENT. That is not necessary. The chairman of the committee has accepted the amendment.

Mr. BANKHEAD. I have accepted the amendment of the Senator from Washington.

Mr. NORRIS. Mr. President, if the Senator from Washington is through—and, as his amendment has been accepted by the Senator from Alabama, that makes it law, I presume, so far as the Senate is concerned—I desire to offer an amendment. I move to amend the committee amendment, on page 3, by striking out, beginning with line 8, down to and including the word "same," in line 16 of that page. The language I move to strike out is as follows:

Provided, however, If one or more member banks of a reserve bank created by the Federal reserve act, approved December 23, 1913, exists in the city, town, village, or locality where the postal deposits are made, such deposits shall be placed in such member banks substantially in proportion to the capital and surplus of each such bank, but if such member banks fail to qualify to receive such deposits, then any other bank located therein may, as hereinbefore provided, qualify and receive the same.

Mr. President, the object of this amendment is to take out of the bill the discrimination between National and State banks with regard to deposits. If this language is stricken out, under the bill as it will then stand the postal savings bank funds will be deposited in State and National banks, without any discrimination between the two systems.

It is provided in the law that security must be given, and the kind of security is stipulated. The same security must be given by one bank as by another. I can see no reason why we should say that postal savings funds should be deposited in national banks. It is true that if there are no national banks, then the bill would permit the deposit of such funds in State banks. That of itself shows that there is no legitimate reason against depositing money in State banks. The only reason that I can conceive of—and I presume it is the only reason that exists—for providing that postal savings funds must be deposited in national banks or member banks of the reserve system is to help build up that system. It is a discrimination against State banks.

Mr. President, if the States resorted to that method of discrimination against national banks, we would see the rule work the other way. In every State there are State funds, county funds, municipal funds, and various other kinds of funds, belonging to the States and municipalities; and I do not know of a single instance where a State, by law, has undertaken to discriminate against national banks in favor of banks organized under its own laws. If we start the discrimination, they are liable to follow it up, and with good reason, too. If they did, they would seriously interfere in a great many cases with the prosperity of national banks. We are establishing, by this method of procedure, a precedent which, if the States should follow it, would take away from deposits in all national banks all State money, county money, and municipal and city money—in fact, all money that is under the control of the laws of a State.

In the first place, it is not fair that we should do this. As the Senator from North Dakota has well said, if the Federal Reserve System can not stand up without discriminating against some other legitimate business, it ought to go out of business. We have passed at this session a bill which is now pending before the House of Representatives, and which provides that in States having laws providing for the security of deposits, national banks shall have the right, if the State laws permit them to do so, to take advantage of those laws, and secure their deposits under State laws. As far as I know there is not a State that has passed that kind of a law but that has extended that provision to national banks, and has said: "Come under our system if you want to."

We have passed, as far as the Senate is concerned, a bill that will extend that permission, which, under the ruling of the comptroller, did not exist before, and permit the national banks to take advantage of State laws in that kind of a case. It is only a fair step to put all the banks on the same basis and to permit them to follow their legitimate course of procedure, and not provide, by law, that these savings, deposited by the people

of the community in the post office of a town where there is a State bank and a national bank, shall then all be deposited in the national bank and none of them in the State bank.

Mr. HARDWICK. Mr. President, will the Senator yield for just a minute?

Mr. NORRIS. Certainly.

Mr. HARDWICK. I am somewhat in sympathy with what the Senator is saying; but this legislation goes just about as far along that line as we can hope to get through. If the Senator insists upon the extreme, he will probably defeat any progress in that direction.

Mr. NORRIS. I do not think it is extreme. I am in favor of doing what I believe to be the proper thing to do. If the President wants to veto the bill, that is his privilege. I do not see any reason why Senators should say that the President is going to veto this bill if we put in this provision. There are a good many other things in the bill, and if he does veto it, it will come back to us again. If it is fair, if Senators believe in it, if all those who are supporting it are in favor of it, we will have enough votes to pass it over the President's veto, even if he does veto it.

I do not desire to delay this legislation. I am perfectly willing to have a vote taken on it.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Nebraska to the amendment of the committee.

Mr. NORRIS. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. GALLINGER. Mr. President, I will ask the Senator from Nebraska how much of the text he moves to strike out?

Mr. NORRIS. I move to strike out the words commencing with line 8 on page 3 and going down to the word "same," in line 16. If that amendment prevails, it will be necessary to make a formal amendment farther down to make the text read right.

Mr. GALLINGER. Evidently so.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. GALLINGER (when his name was called). I have a general pair with the senior Senator from New York [Mr. O'GORMAN]. Not knowing how he would vote if present, I withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from North Dakota [Mr. McCUMBER]. I transfer that pair to the junior Senator from California [Mr. PHELAN] and will vote. I vote "nay."

Mr. TILLMAN (when his name was called). I transfer my pair with the junior Senator from West Virginia [Mr. GOFF] to the senior Senator from Texas [Mr. CULBERSON] and will vote. I vote "nay."

Mr. TOWNSEND (when his name was called). I have a pair with the junior Senator from Florida [Mr. BRYAN], who is necessarily absent, and my colleague [Mr. SMITH of Michigan] has a pair with the junior Senator from Missouri [Mr. REED]. The junior Senator from Missouri is here. By arrangement with him we have transferred our pairs, so that my colleague will stand paired with the Senator from Florida. Therefore the Senator from Missouri and myself are at liberty to vote. I vote "yea."

Mr. WILLIAMS (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the senior Senator from Louisiana [Mr. RANDELL], I vote "nay."

The roll call was concluded.

Mr. CHILTON. I transfer my pair with the senior Senator from New Mexico [Mr. FALL] to the junior Senator from Louisiana [Mr. BROUSSARD], and will vote. I vote "nay."

I desire also to announce the absence of my colleague [Mr. GOFF] on account of illness. I will let this announcement stand for the day.

Mr. CLAPP. I inquire if the senior Senator from North Carolina [Mr. SIMMONS] has voted?

The VICE PRESIDENT. He has not.

Mr. CLAPP. I feel constrained, then, to withhold my vote.

Mr. GRONNA (after having voted in the affirmative). I have a general pair with the senior Senator from Maine [Mr. JOHNSON]. I transfer that pair to the senior Senator from California [Mr. WORKS], and will allow my vote to stand.

Mr. WEEKS. My colleague [Mr. LODGE] is absent; but, as I announced before, he has a general pair with the senior Senator from Georgia [Mr. SMITH]. I am confident that if my colleague were present he would vote in the negative on this proposition. I understand the Senator from Georgia has already voted.

Mr. SMITH of Georgia. While I have a general pair with the senior Senator from Massachusetts [Mr. LODGE], I only vote

without a transfer in cases where the junior Senator from Massachusetts [Mr. WEEKS] advises me that his colleague would vote as I would. I voted on this question because I had been advised that the senior Senator from Massachusetts would vote as I intended to vote; and I am glad to make that statement as to other votes in the future, without detaining the Senate to repeat it.

Mr. CHILTON. I desire to announce the absence of the senior Senator from Ohio [Mr. POMERENE] on official business, and his pair with the junior Senator from Maine [Mr. BURLEIGH].

Mr. REED. An arrangement having been made with the Senator from Michigan for a transfer of pairs, I desire to vote. I vote "nay."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Idaho [Mr. BRADY] with the Senator from Florida [Mr. FLETCHER];

The Senator from New Mexico [Mr. CATRON] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Rhode Island [Mr. COLT] with the Senator from Delaware [Mr. SAULSBURY]; and

The Senator from Utah [Mr. SUTHERLAND] with the Senator from Arkansas [Mr. CLARKE].

The result was announced—yeas 14, nays 41, as follows:

YEAS—14.

| | | | |
|---------|-------------|----------|----------|
| Borah | Hitchcock | Lane | Smoot |
| Cummins | Jones | Norris | Townsend |
| Curtis | Kenyon | Pinckney | |
| Gronna | La Follette | Sherman | |

NAYS—41.

| | | | |
|-------------|------------------|--------------|-----------|
| Ashurst | James | Page | Tillman |
| Bankhead | Johnson, S. Dak. | Reed | Underwood |
| Beckham | Kern | Shafroth | Vardaman |
| Chamberlain | Lea, Tenn. | Sheppard | Wadsworth |
| Chilton | Lippitt | Smith, Ariz. | Walsh |
| du Pont | McLean | Smith, Ga. | Warren |
| Gore | Martin, Va. | Smith, S. C. | Weeks |
| Harding | Martine, N. J. | Stone | Williams |
| Hardwick | Myers | Swanson | |
| Hollis | Oliver | Thomas | |
| Hughes | Overman | Thompson | |

NOT VOTING—40.

| | | | |
|--------------|--------------|----------|--------------|
| Brady | Culberson | Lodge | Ransdell |
| Brandegge | Dillingham | McCumber | Robinson |
| Broussard | Fall | Nelson | Saulsbury |
| Bryan | Fletcher | Newlands | Shields |
| Burleigh | Gallinger | O'Gorman | Simmons |
| Catron | Goff | Owen | Smith, Md. |
| Clapp | Husting | Penrose | Smith, Mich. |
| Clark, Wyo. | Johnson, Me. | Phelan | Sterling |
| Clarke, Ark. | Lee, Md. | Pittman | Sutherland |
| Colt | Lewis | Pomerene | Works |

So Mr. NORRIS's amendment to the amendment of the committee was rejected.

The VICE PRESIDENT. Is there any further amendment to be proposed as in Committee of the Whole?

Mr. HOLLIS. Mr. President, I think the committee agreed that, on page 2, at the end of line 21, the words "or authorized by act of Congress" might be inserted.

Mr. SWANSON. That has been agreed to.

The VICE PRESIDENT. The question is, then, on agreeing to the amendment as amended and modified.

The amendment as amended was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend the act approved June 25, 1910, authorizing the Postal Savings System, and for other purposes."

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (H. R. 408) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by E. T. Taylor, jr., one of its clerks, announced that the House had passed a bill (H. R. 13043) making appropriations to supply further additional urgent deficiencies in appropriations for the fiscal year 1916, and prior fiscal years, in which it requested the concurrence of the Senate.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H. R. 10037) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, asks a conference with the Sen-

ate on the disagreeing votes of the two Houses thereon, and had appointed Mr. RUSSELL of Missouri, Mr. ASHBROOK, and Mr. LANGLEY, managers at the conference on the part of the House.

The message further announced that the House disagrees to the amendments of the Senate to the bill (H. R. 11078) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. RUSSELL of Missouri, Mr. ASHBROOK, and Mr. LANGLEY managers at the conference on the part of the House.

HOUSE BILL REFERRED.

H. R. 13043. An act making appropriations to supply further additional urgent deficiencies in appropriations for the fiscal year 1916 and prior fiscal years was read twice by its title and referred to the Committee on Appropriations.

MANUFACTURE OF ARMOR.

Mr. ASHURST. Mr. President, I do not purpose speaking upon the unfinished business, but in accordance with a notice which I gave yesterday I shall speak briefly upon the bill (S. 1417) to erect a factory for the manufacture of armor.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1417) to erect a factory for the manufacture of armor.

Mr. ASHURST. Mr. President, South Carolina has furnished to the Union many illustrious men and may well feel proud of her son, Senator BENJAMIN RYAN TILLMAN. More than 20 years ago he was urging the passage of a bill providing for the erection of a Government factory for the manufacture of armor plate, and the success which, in my judgment, will attend his efforts, is an illustration of the fact that an idea which is founded in truth may be crushed for a time, but it will ultimately triumph. It is given to but few men to realize results from their efforts in such great movements as this, and the chairman of the Committee on Naval Affairs [Mr. TILLMAN] may well congratulate himself upon the fact that the sentiment of the country is now well-nigh unanimous in favor of Government ownership of factories for the manufacture not only of armor plate, but powder and arms as well.

The hearings had before the Senate Committee on Naval Affairs 20 years ago demonstrated that the Government could manufacture armor for its naval vessels at about two-thirds the price such armor could be obtained if it were manufactured in private plants and sold to the Government. I have no doubt that the United States Government will save at least \$1,000,000 on each superdreadnaught it constructs, if the armor for the ship is manufactured in a Government-owned plant instead of in a privately owned plant.

In my opinion there are many reasons why the Government should manufacture its own arms, guns, powder, warcraft, and armor plate.

Firstly, when such arms and ammunition, and so forth, are constructed by the Government there is no profit to be paid to anyone, hence there is a large retrenchment; in other words, a substantial saving to the Treasury.

Secondly, from the very nature of the armor business a monopoly is inevitable, as there is generally but one customer, and that is the United States. Large capital is required to finance an armor plant, and this excludes all but the very largest concerns from engaging in such business. There are but three manufacturers of armor in the United States, and the result has been that an odious monopoly has grown up. This monopoly has no competition. It can and does charge what it pleases and, as has been well said in the report of the committee on this bill:

The committee has no desire to criticize unjustly the manufacturers of armor plate. They have done no more than most other men would have done under similar circumstances and temptations. Men in the pursuit of wealth are essentially greedy and hoggish, and the protective principle seems to have been prolific in producing some magnificent specimens. The main fact to be borne in mind is that they have more power than is compatible with the public interest. Give power to any set of men, however excellent and honorable, and sooner or later they will abuse it. Men have been built that way since the beginning of time.

It seems to me that all men, whether they be those who "favor peace at any price," those who favor "peace with honor," those who "love peace so well they are willing to fight for it," or those who wish "war at any price," ought to be in favor of Government manufacture and construction of arms and ammunition and armament for naval ships, so that in time of great distress or national emergency the Government would not be obliged to depend upon private persons for its armor plate and guns, but could have resort to its own factories and manufacture much or little, as the emergencies might require.

I am not opposed to appropriations out of the Treasury simply because they are large. If an appropriation is large but just, I am willing to vote for it; if it be unjust, the fact that it is a very small appropriation does not incline me at all to vote for it. The nature of the appropriation and the purposes for which it is to be used, not the amount, is what concerns me. I think, nevertheless, that every reasonable and practicable effort should be made to retrench, and we should save every dollar of the public funds that we may as practical persons.

There is, however, a deeper reason why I am in favor of the manufacture by the Government of its arms and ammunition, powder, and armor plate for its vessels. There are in our Nation men who are for "peace at any price," and there are men who are for "war at any price." These "war-at-any-price" men are moved by different motives. Some of them love to hear the heroic call of the silver bugles; some love the excitement incident to a war—they love the pomp and circumstance that attend military and naval operations; others, desirous of selling armor plate, guns, powder, and other munitions to the Government, promote the war spirit by violent criticism of an administration; by subtle, ingenious, and specious appeals to national honor, when in truth and in fact national honor may not be endangered; sometimes sweep Members of Congress off their feet and thus precipitate a conflict where by patience it might have been avoided. Therefore, if the manufacture of armor plate, guns, powder, naval vessels, and other like munitions were left largely to the United States, our Government would be free to act upon any certain state of facts uninfluenced, unprejudiced, and unbiased, and the powerful influence of the makers of armor and ammunition, anxious to make sales to the Government, would not in any way be thrown into the trembling scales in which the truth is to be weighed.

If it should ever become the solemn duty of Congress to declare war in the future, we should do it manfully, bravely, and, above all things, uninfluenced in any way or in any manner whatsoever by those powerful interests which seek to promote war in order that they may furnish multiplied quantities of arms, ammunition, powder, guns, and armor plate to the Government.

Mr. President, even were I convinced, which I am not, that a plant for the manufacture of armor plate and powder for the use of the guns of the Army and Navy would cost this Government more than it would to purchase the same from the owners of private plants, I would nevertheless be in favor of Government manufacture of such articles.

I read from the hearings before the Senate Committee on Naval Affairs, Tuesday, February 1, 1916, as follows:

[Extracts from the statement of Hon. Josephus Daniels, Secretary of the Navy.]

Senator PENROSE. Mr. Secretary, have you read these hearings before the Committee on Naval Affairs, in connection with Senate bill 1417, to erect a factory for the manufacture of armor?

Secretary DANIELS. I have read a part of them.

Senator PENROSE. You are familiar, of course, with the subject?

Secretary DANIELS. With the subject matter; yes.

Senator PENROSE. You are familiar with the subject matter; but as these hearings are down to date I think they are, perhaps, more valuable.

Secretary DANIELS. I did not get the hearings until yesterday afternoon. I have not read them all.

Senator PENROSE. When the committee adjourned last week, Mr. Secretary, it adjourned with the understanding that the armor-plate manufacturers could, if they chose or would, call to see you to pursue the discussion of this matter further with you as the executive head of the Navy Department, and the person who in the final analysis would have to advertise and perhaps frame specifications and come to an adjustment of the matter of price. And I am informed that these gentlemen have called on you, although I am not advised as to the details of the visit.

Will you inform the committee as to the character of the interview and your views on the matter or would you rather have Mr. Grace put on the stand?

Secretary DANIELS. I will make a statement and then Mr. Grace may make a statement, if it is desired.

Representatives of two of these companies, the Bethlehem and Midvale companies, came to see me after you adjourned last week and said it had been suggested by the committee, or some member of the committee—

Senator PENROSE. I suggested it.

Secretary DANIELS. (continuing). That they confer with me; and their proposition was that I should appoint an expert accountant or accountants who would go through their books to determine what it costs to produce a ton of armor plate and get all the information in detail; and after doing so I would report to the committee whether, in my judgment, with all this confidential information in my possession, the price they proposed was a reasonable one with a fair profit.

We discussed the matter at some length, and I told them that a year ago or more the Carnegie Co. had sent me a very long and elaborate statement purporting to be the cost of manufacturing armor plate, the investment, the overhead charges, etc., and asked me to look into it to inform myself as to whether it was a proper price to charge in view of their investments and costs. I sent it back to that company without examining it carefully and told them that I could not accept any information confidentially; that any information they gave me about their plant as to its costs, operations, pay of labor, etc., must be a statement which I could lay before the Senate committee or the House committee, as the case might be; that

as Secretary of the Navy I could not accept any confidential information; that I would not ask the Senate committee to act upon my statement that I had examined into their affairs and approved or disapproved them; that if they wished to state all these facts before the committee or to me to be transmitted to Congress I would accept them, otherwise I would not. I returned their long statement with that reply.

So I told these gentlemen the other day that I could not under any circumstances agree to enter into any investigation of their plants or accept any confidential statements that they made or that any experts I appointed might make that could not appear in the hearings or go before Congress. It seemed to me that that was the only possible position an executive officer could take.

Senator PENROSE. Of course, they had their explanation about why they did not want to give the details of their business?

Secretary DANIELS. They said they did not wish to give to the public the details of their business, that it would be giving it to their competitors and to the world; but they were willing to give it in confidence to the Secretary of the Navy.

Senator PENROSE. The business, as I understand it, being of an international character, and frequently in the past there has been the most serious competition to acquire methods, patents, and processes—

Secretary DANIELS. Why, as to the international nature of the business—

Senator PENROSE. The possibly international character of the business.

Secretary DANIELS. (continuing). The only international business these companies have had that I know of you will find on page 9 of my report of 1913.

Senator PENROSE. Well, we concede, Mr. Secretary, it has not been very large in the past. It is something, however, that might occur.

Secretary DANIELS. Well, in 1894 there was some international business. The Bethlehem Co. sold armor plate to Russia in 1894 at \$249 a ton; at the same time, under the contract of March, 1893, they sold armor plate to the American Government for \$616.14 per ton. In 1911 they sold to Italy at \$395 a ton, while they were charging this Government \$420 a ton. Later they sold it to Japan for \$406.35 a ton, as against prices ranging from \$504 to \$440 a ton to this country.

Since then I understand there have been no international sales; neither has any foreign Government sought to sell in this country, and none of our companies have sought to sell abroad. That being true, they did not raise any objection to making the information public on international grounds.

Senator PENROSE. They did not?

Secretary DANIELS. No. They said their objection to giving the details to the public was that it would disclose their private business to their competitors in America. My reply to that was that they had no competitors in America, for all the manufacturers of armor charged identically the same price.

Senator PENROSE. And they will have fewer competitors, I presume, if the Government keeps on. Was there any further suggestions made, Mr. Secretary?

Secretary DANIELS. Yes. Then we discussed the matter as to price. I told them if they had any statement to make as to the price they would charge in the future I would be glad to have it for consideration. Two of those companies, the Midvale Steel Co. and the Bethlehem Steel Co., submitted letters. The letter from the Midvale Steel Co. is as follows:

"Based upon our conversation in your office on Wednesday, January 26, 1916, if a construction program is arranged which will permit the Navy Department to purchase 125,000 tons of armor for delivery during the next five years we will be willing to contract for 40,000 tons, our capacity for five years, the same to be specified at the uniform rate of 8,000 tons per year, at \$402.50, base, per ton, all conditions as to terms, specifications, and manufacturing details to remain the same as provided under the present contract.

"Very truly, yours,

"A. C. DINKEY, President."

The CHAIRMAN. Is that a recent communication?

Secretary DANIELS. January 27, 1916.

Senator PENROSE. That is an offer to supply the armor on this schedule at \$402?

Secretary DANIELS. Four hundred and two dollars and fifty cents a ton if we make a contract for five years on the program that the President has recommended.

Senator PENROSE. What is the price the Government is paying now, do you remember?

Secretary DANIELS. Four hundred and twenty-five dollars. That is a reduction by the Midvale Steel Co. from \$425 to \$402.50.

Senator SWANSON. That covers 40,000 tons?

Secretary DANIELS. Yes; that is their capacity. I also received a letter from the Bethlehem Steel Co. It is as follows:

"With a view to conforming to the conversation we had with you yesterday, prompted by the suggestion to us of the Senate Naval Committee that the private armor-plate manufacturers endeavor to reach an agreement with the Secretary of the Navy on a price for armor sufficiently attractive to him to make unnecessary the proposed legislation before the committee for the construction of a Government armor-plate plant, we respectfully submit the following proposal:

"We will undertake to manufacture one-third or such additional quantity as may be awarded to us, of the armor plate required for the contemplated five-year naval program (estimated at approximately 120,000 tons), for a price of \$395 per ton for side armor, as compared with the price of \$425 per ton now obtaining; similar reductions to be made in other classes.

"In quoting this low price we have been prompted by the desire to meet your views as to a satisfactory price for armor and to the end of making it unnecessary, in your judgment, to create Government facilities for this work, and thus, in a measure, save to our interests the large investment we have in this industry.

"Very respectfully,

"E. G. GRACE, President."

Now, these two concerns, as I understand it, proposed to manufacture each one-third at those prices.

Mr. GRACE. One-third or more. My letter says, "a third or any additional amount."

Mr. BARBA. I might say that our capacity is 8,000 a year.

Mr. GRACE. Our capacity is 12,000 a year, Mr. Secretary.

Secretary DANIELS. I received no communication from the Carnegie Co., which has been making one-third of it in the past. The plan heretofore pursued has been—the Midvale company was organized when?

Mr. BARBA. As a company?

Secretary DANIELS. I mean to make armor plate.

Mr. BARBA. In 1903.

Secretary DANIELS. Up to 1903 there were only two companies, the Bethlehem and the Carnegie, and then the Midvale company came into the business in 1903. They made a bid for making armor plate which was considerably lower than the price that the Bethlehem and Carnegie companies had been charging. But I am informed that when they made this lower bid the award was not made to them.

Senator PENROSE. They did not have a plant at that time, Mr. Secretary, in the opinion of the Government, to make it certain that they could discharge such a contract.

Secretary DANIELS. (speaking to Mr. Barba of the Midvale Co.). Did they not make a lower bid after they had a plant?

Mr. BARBA. We made this bid in 1903, after the plant was practically erected. We had prior to 1903 made five separate bids which were the lowest prices quoted, and for the reason noted by Senator PENROSE—ostensibly at least—they failed of receiving the award under their earlier bids, but on the bid of 1903 an award was made.

Secretary DANIELS. As I understand it, in 1903 they were the lowest bidder, after the plant was erected, but the Navy Department instead of giving it to the lowest bidder divided it among the three companies at the bid of the lowest bidder. That is right, is it not?

Mr. BARBA. No. I think that year the other two companies got two-thirds of the armor at their quoted prices.

Secretary DANIELS. The Navy Department gave this company that made the lowest bid a third, and then gave the other two-thirds to those other companies at their high prices.

Senator SMITH of Maryland. Did your company offer to furnish all of it at that price?

Mr. BARBA. They did, sir.

Secretary DANIELS. They offered to furnish it all.

The CHAIRMAN. I want to ask you, Mr. Barba, were they in condition then to manufacture it all, or would they have put themselves in condition to manufacture it all?

Mr. BARBA. As was testified a week ago, the Midvale Co. believed itself in a position to manufacture the whole of the armor that would be required for installation on the ships.

Secretary DANIELS. Of course, that all happened before I had any connection with the Navy Department.

Senator POINDEXTER. I wish you would explain, Mr. Secretary, why you did not give them the contract for it all instead of giving a contract for two-thirds at the higher price.

Secretary DANIELS. If I had been Secretary of the Navy I would have done so.

Senator PENROSE. If I may be permitted to interject—as I understand it, it was on a theory which now seems to be obsolete except in connection with shipbuilding. We frequently put in the naval bill the proviso that one battleship shall be built on the Atlantic seaboard and one on the Pacific, to keep the shipyards going. Mr. Grace knows. Am I correct in stating that sometimes in carrying out that policy a higher price is paid for a ship built in one place than for a ship built elsewhere?

Mr. GRACE. You are entirely correct.

Senator PENROSE. Both ships are not given to the lowest bidder. It has been the policy of the Government for 50 years to encourage the manufacturers and individuals in their ability to serve the Government in this connection. These people have all been invited by the Government to go into the armor-plate business. It is not a competitive proposition, strictly speaking, and under the Republican régime and Republican Secretaries of the Navy they have thought it their duty to keep all of them going and not to have what is threatened now, the third company going out of business because the manufacture of armor is too small a part of their enormous business for them to be spending every winter down here in Washington. So it is not unlikely that the third armor plant—I have no authority to speak for them, but they are not represented here. It would seem to me that it is such a small part of their enormous business that they would just as soon get out of it as not.

Senator CHILTON. You refer to the Carnegie Co.?

Senator PENROSE. The United States Steel Corporation.

Senator CHILTON. That is part of it; they own the stock.

Senator PENROSE. When the Midvale Co. came in they were welcomed by the Government, and it was never the theory until within the last few years other than that the Government should encourage them and keep them going.

Secretary DANIELS. They may have been welcomed by the Government, Senator, but when they made the lowest bid and agreed to make armor plate cheaper and agreed to make it all, the Government declined to give them the contract and gave most of it at higher prices to other companies and only gave them a portion.

Senator PENROSE. I do not wish to argue that, Mr. Secretary, but the same policy is adopted regarding the building of battleships?

Secretary DANIELS. No.

Senator PENROSE. If that is to be the policy of the Government, I would like to see all the battleships built on the Delaware, because we can build them cheaper there than anywhere else.

Secretary DANIELS. Our former experience was that what was built on the Pacific coast cost more, and in the bills there has always been the provision for a higher price for ships built on the Pacific coast—

The CHAIRMAN. The percentage was fixed in the bills.

Senator PENROSE. Well, let us follow the rule.

Secretary DANIELS. My experience has been that, though we have built no dreadnaughts on the Pacific coast, the work we have done on the Pacific has been done as cheaply as on the Atlantic. In fact, we have built two or three small ships at Mare Island under the bids made by New York and other eastern yards.

Senator PHELAN. The estimates of the Mare Island yard have been always lower, as I understand it, than the estimates of private yards. And then those vessels are intended, Mr. Secretary, for those waters, and there is the cost of bringing them over from the eastern yards, and the differential has been added. There is also the added cost of bringing the raw material from Pennsylvania.

Secretary DANIELS. That is largely true, and the wages are, I believe, somewhat larger in the West.

Senator PENROSE. The ultimate cost to the Government is higher, and if we are to abandon our old policy let us award our battleships to the lowest bidder, whether it is Norfolk or Philadelphia.

But that is neither here nor there. I merely wanted to explain that the policy with reference to armor plate has only been the same as that with reference to the shipyards.

Secretary DANIELS. I would like to proceed with my statement about our experience in buying armor.

The CHAIRMAN. Very well, Mr. Secretary.

Secretary DANIELS. The first contract we offered, in 1913, was the armor plate for the *Arizona*, I think.

Mr. BARBA. Yes; No. 39.

Secretary DANIELS. When the bids came in from Carnegie, Bethlehem, and Midvale they were identically the same figure, \$454 per ton.

The CHAIRMAN. You mean to say that these three competitors all happened to hit on the same price?

Secretary DANIELS. To a cent.

Senator POINDEXTER. What year was that?

Secretary DANIELS. 1913. I rejected all these bids on the ground that there had been no competition. Later I had a talk with the gentlemen representing these three companies and told them that we wished competition and that I could not understand how they could hit upon identically the same figure to a cent. Their answer was this: The Midvale people said that some years before that, when bids were offered, they had made the lowest bid but were not awarded the contract and that the department adopted the policy of dividing the contract between the three concerns; and they said, of course, "Why should we bid a lower figure if it is going to be awarded one-third to each of us at the same price?" But I advertised again, and they came down to \$440 per ton, enabling the department to effect a saving of \$111,000 on that contract.

Since then we have had bidding which has varied very little and we have had, of course, practically no competition.

On June 7, 1900, the naval act contained a provision authorizing the building of an armor plant:

"Provided, That the Secretary of the Navy is hereby authorized to procure by contract armor of the best quality for any or all vessels above referred to, provided such contracts can be made at a price which in his judgment is reasonable and equitable; but in case he is unable to make contracts for armor under the above conditions he is hereby authorized and directed to procure a site for and to erect thereon a factory for the manufacture of armor, and the sum of \$4,000,000 is hereby appropriated toward the erection of said factory."

He was "satisfied" that the price was "reasonable" and did not build the plant.

In 1895 Secretary Herbert visited Europe and made a thorough investigation into the armor-plate situation. He became satisfied that there was a world-wide agreement by which the manufacturers of one country would not sell in any other country, and he recommended the building of an armor-plate factory as the result of that investigation.

The CHAIRMAN. Mr. Secretary, you evidently believe there is a combination among these manufacturers of armor?

Secretary DANIELS. Well, I evidently believe there is no competition.

The CHAIRMAN. That is a negative way of saying the same thing?

Secretary DANIELS. Not necessarily, because they say to me, very frankly, "We had no inducement to bid; if we bid lower, we do not get any more of the contract than if we bid higher."

The CHAIRMAN. But only the lowest man says that?

Secretary DANIELS. The lowest man; yes.

The CHAIRMAN. The fellow that could not get in explained the reason why?

Secretary DANIELS. And therefore he said, "Why should we bid lower?"

The CHAIRMAN. He would not play in a game where the cards were all stacked before he entered it.

Senator PENROSE. I think it is admitted it is not a strictly competitive proposition. The point of view of the Government has been: Is the Government getting armor plate at a reasonable price and one that can be compared with that which it costs other nations?

The CHAIRMAN. Mr. Secretary, from your experience with the manufacture of smokeless powder by the Government, you are satisfied that the Government can manufacture armor more cheaply in its own factory than it can buy it?

Secretary DANIELS. There is no doubt of that.

The CHAIRMAN. And the ownership of an armor factory would relieve us of future combinations, or perpetual combinations?

Secretary DANIELS. I think this: If we owned it, we would secure competition from outside plants as well as our own. And I believe, in view of the many changes and new construction, the Government ought to have a factory where its own experts would be studying the best methods of making armor plate.

Of course, the private manufacturers and the Government have worked harmoniously trying to perfect the best armor, but I think the Government ought to be doing it itself. At present the armor-plate factories do not sell abroad, but they have a right to do so, and the armor they are making is the joint product of the brains of the Navy and the armor-plate experts. They have made the armor plate upon our specifications. If our experts should obtain armor plate in this country that was better than could be obtained in any other country in the world and we wished no other country to have it, we have no guaranty now that it would not be sold abroad.

Take the matter of torpedoes. We have gone into the manufacture of torpedoes pretty largely, and we have had a good many manufactured by private concerns. Two years ago the manufacturers of the torpedo which really was the product of the Navy's inventors working with the private concerns were about to sell those torpedoes to foreign countries, and we had to enjoin them in the courts on the ground that that torpedo was a product of the Navy's brains as well as theirs and it should not go abroad. After litigation it was decided in the courts of New York that the private company could not sell them abroad.

In the course of his opinion Judge Cox said:

"This case illustrates the importance of the United States having a manufactory of its own for the manufacture of torpedoes and other implements of war, which are improved and changed from time to time by the addition of ingenious mechanism, which should clearly be kept secret unless our enemies are to profit equally with ourselves in every improvement which the ingenuity of our Army and Navy officers may suggest."

Now, I think the Government ought to make as much as practicable of everything like armor plate, torpedoes, projectiles, and powder—particularly the things that are improving all the time—so as to be able to control them.

Senator SMITH of Maryland. Mr. Secretary, it is not your judgment that the Government should put itself in a position to manufacture them all?

Secretary DANIELS. No; I do not think that is necessary.

Senator SMITH of Maryland. As I understand it, it is your idea that we should have an armor-plate factory for the purpose of knowing what it costs and preventing a monopoly of it?

Secretary DANIELS. In fact, we do not get competitive prices.

Senator SMITH of Maryland. You think it is unwise for us to undertake to manufacture it all, because it would put these other people out of business and destroy the present factories which might be very useful to the Government?

Secretary DANIELS. I have this idea: If you have competition between your own factory and a private factory, you get some advantage. If the Government should make all its own ships, for instance, it would not have quite as much competition in the building of ships as if outside people were bidding.

Senator SMITH of Maryland. What is your idea, Mr. Secretary, of the amount of armor plate that would be required per year for the next five years? It is 25,000 tons a year, as I understand it?

Secretary DANIELS. If this program goes through, we would need 120,000 tons.

Senator SMITH of Maryland. About 25,000 tons a year for the next five years.

Senator CHILTON. That is 113,000 for our actual needs, and then 7,000 tons for testing purposes.

Senator SMITH of Maryland. Is it your idea the Government should make about 20,000 tons of that per year?

Secretary DANIELS. That is a matter, Senator, for the Congress. My estimates, made in November, allowed for a factory that would make 10,000 tons a year. In the report of the committee they pointed out that you could make it much cheaper if you made 20,000 tons, which, of course, is true.

Senator SMITH of Maryland. That may be true. If you will allow me to express myself, I think it wise for this Government to be in a position to know what is being done in armor plate, and it is wise to know what it costs, but I do not think it is wise that this Government should go in and monopolize the business. I think it is well to keep these factories. Now, the proposition is, if 20,000 tons is to be manufactured, that would put the other people out of business entirely, would it not?

Secretary DANIELS. If we were prepared to make 20,000 tons we would be able to make most of the armor required under this program.

Senator PENROSE. It has been strongly intimated that every one of the private concerns would abandon the business and throw their plants into the junk pile and go into other lines of endeavor.

Senator SWANSON. Mr. Secretary, from your investigation of this subject, what suggestions have you to make to the committee as to Senate bill 1417, as to the amount to be appropriated and the amount of armor contemplated to be manufactured by the Government? Will you read that bill and suggest to the committee what you think would be the most advantageous position for the Government to take in reference to it?

Secretary DANIELS. The most advantageous position for the Government to take, looking at it as a matter of economy, would be to pass this bill.

Senator SWANSON. That is, in a broad way; but do you think it would be better to go into the manufacture of armor plate to the exclusion of private concerns or leave a portion of it for private competition?

Secretary DANIELS. In my recommendation and in my estimates, as you will see, I recommended a capacity of 10,000 tons.

Senator PHELAN. I do not know that it has appeared in the testimony here, but I have learned in private conversation that the Krupp concern provided certain munitions, or possibly arms, for the French Government in competition with French private plants, and the deduction was drawn that the French private plants, having been crippled by reason of the competition of the Krupps, were unable to supply the French Government during this war with munitions, certainly not to the extent which otherwise they would have been able to provide them. Is there any truth in that statement?

The CHAIRMAN. I do not know, sir. You startle me by any such statement as that.

Senator LODGE. It took them some time to get into a condition to supply their own munitions.

Senator PHELAN. I think the fact bears on this discussion—if it is true. I do not know.

The CHAIRMAN. That is hearsay, so far as I know. If you and Senator LODGE have any evidence as to the accuracy of that statement I would like to have it.

Senator PHELAN. My informant is present in the room. I think it was Mr. Grace who told me that.

Mr. GRACE. I do not think so, Senator Phelan. I have not talked to you on this subject at all, as a matter of fact. If I had any evidence, I should be very glad to offer it.

Senator SMITH of Maryland. I think that statement is perfectly reasonable.

Senator PHELAN. Who was it called on me in reference to this hearing? It was not Mr. Snyder; he is not present?

Mr. GRACE. Mr. Snyder is not here.

Senator PHELAN. I know it was one of the gentlemen from the Bethlehem plant. It ought to be a matter of general information.

Secretary DANIELS. You will remember that a few years ago the papers were full of reports that the Krupp concern had bribed or induced certain newspapers in France to advocate a very large armament. There was a sensational investigation and some of the newspapers appeared in a bad light.

Senator PHELAN. Is it not a fact that the Krupps did supply the French Government within the last 10 years?

Secretary DANIELS. I do not know; it could be ascertained.

Senator LODGE. I did not speak in reference to Krupps. The information I have comes from French sources, and it was simply to this effect, that it took them a year after the war began to get their munition plants into such condition as to supply their needs. They were behind, and they had to put in a great deal of extra machinery and extra men in order to meet the demands for munitions.

The CHAIRMAN. That is notoriously so, because England and all of the rest of the European countries that are in this war were not expecting such a gigantic struggle.

Senator LODGE. The situation in England is very different. I am speaking simply of the French. The munition plants there, for whatever reason, had got so far down that they could not possibly meet the demands of the war. They are now meeting them fully.

Senator PHELAN. Having made the statement with the premise that I learned it in private conversation, if it is a fact that the Krupps have supplied the French Government with munitions, is there anybody in this room that can supply that information?

Senator PENROSE. Mr. Grace might be able to answer.

Mr. KING. They did prior to the Franco-Prussian War, sir, but after that it is rather uncertain.

Senator POINDEXTER. I do not think this sort of fishing around for hearsay testimony and rumors amounts to anything, Mr. Chairman.

Senator PHELAN. In making that statement I desired to lay the foundation for this question. Outside of this bill—because I see it does not provide for the acquisition of private plants—has the Secretary of the Navy entertained a proposition to purchase one of the existing plants instead of constructing de novo an armor-plate factory?

The CHAIRMAN. I have never heard of any existing plants being entirely willing to sell. I asked them last year when the committee was up at their different establishments whether they had any idea of selling, and every one of them pooh-poohed it.

Senator PHELAN. Would it not be a wiser policy, instead of by competition destroying an existing plant, to acquire one by purchase or condemnation?

The CHAIRMAN. Well, condemnation would involve such an immense amount of litigation and be so costly that I do not think the Government would enter upon any such speculation.

Senator PHELAN. Assuming these gentlemen representing these various plants would agree to sell at a reasonable price, is there any objection on the part of the committee or in your mind to acquiring an existing plant?

Senator SMITH of Maryland. Is it likely they would sell at a reasonable price now, when there is such a demand for their products? If there ever was an opportunity for them to make money, it is now.

Senator POINDEXTER. Has the Secretary completed his statement, Mr. Chairman?

The CHAIRMAN. Mr. Secretary, I notice in your report that you ask for an appropriation for an ammunition plant?

Secretary DANIELS. A projectile plant.

The CHAIRMAN. Is there any reason why this armor plant that we are going to build—I hope—can not also produce the ammunition necessary for the Navy?

Secretary DANIELS. You would have to have different equipment.

The CHAIRMAN. Of course you would have to have additional equipment.

Secretary DANIELS. If you will notice in my report, I recommended "for armor plate and other munitions." You can make forgings and you can make some other things, but there is no reason why you should not add to that plant other equipment to make certain munitions. But the armor-plate machinery itself makes only armor plate.

The CHAIRMAN. We all know that; at least I do, because I am an old hand at this investigation of armor. This was my first work in the Senate when I came here 20 years ago, and I perhaps know more about armor factories than any man on the committee.

Senator LODGE. Mr. Secretary, may I ask you on what are based the figures for the cost of the armor made by the Government plant?

Secretary DANIELS. A special committee, composed of Senator TILLMAN, Chairman PADGETT, and Admiral Strauss, made an investigation. The figures given are from that report. Your committee last year authorized that to be done.

Senator LODGE. Yes; I know.

Secretary DANIELS. And they went into the investigation very carefully. They visited Bethlehem, Midvale, and Carnegie. At the time the appointment of the committee was proposed I hoped the members would be able also to visit European countries, and I think that was part of the idea, to try to ascertain the cost abroad as well as at home.

Senator LODGE. Then the figures you give for the cost of armor plate manufactured by a Government plant are based on that report?

Secretary DANIELS. They are based on that report.

The CHAIRMAN. These manufacturers of armor have agreed that it is only 10 per cent wrong. I believe that was the testimony last week.

Senator LODGE. In those figures of the cost of Government manufacture do you include interest, overhead charges, insurance, and everything of that sort?

Secretary DANIELS. Yes.

Senator SWANSON. I think they include everything except interest.

Secretary DANIELS. Do they not include interest?

Senator PENROSE. It is only fair to say on that point that this matter was thoroughly discussed the other afternoon, and there was a difference of opinion between this Tillman report and the statement of Mr. Grace and his associates.

Senator SWANSON. I think they stated, Senator Penrose, there would be only 10 per cent difference between what it has cost them, as shown by their books, and the estimate contained in this report.

Senator PENROSE. Down to the period where you get that figure, but there are other deductions that should be made.

Senator SWANSON. Mr. Secretary, do you think it would be advantageous to the Government, as suggested by the Senator from California, to make the erection or purchase of an armor-plate factory optional with the department; to give you the power to purchase an existing plant if you saw proper, or to erect one if you saw proper? What do you think would be the advisability of leaving that optional with the department?

Secretary DANIELS. I think if we could purchase one at a reasonable price it would be better than to build, because we would get it cheaper.

Senator SWANSON. It would be available at once; otherwise there would be a delay of three years?

Secretary DANIELS. Two or possibly three years. We might complete it in 18 months.

Senator LODGE. This plant you propose is a 10,000-ton plant?

Secretary DANIELS. That is my estimate.

Senator CHILTON. The bill provides for 20,000 tons.

Senator LODGE. Will you kindly tell me again what will probably be the annual consumption?

Secretary DANIELS. It all depends, of course—

Senator LODGE. I understand—on what we authorize.

Secretary DANIELS. On the proposed building program it will be 120,000 tons for the five years.

Senator LODGE. One battleship requires about 8,000 tons?

Secretary DANIELS. About that.

Senator LODGE. And we have been authorizing at the rate of two ships—16,000 tons?

Secretary DANIELS. Yes; generally.

Senator LODGE. And the 20,000-ton plant would make all the armor necessary for the battleships unless you added a battle cruiser or a third ship?

Secretary DANIELS. Not all of that, but nearly.

Senator LODGE. I understood the estimate of \$10,000,000 was for a 10,000-ton plant.

Senator PENROSE. Mr. Grace says that is all such a plant would produce. Admiral Strauss differs with him by 100 per cent. He says it would produce 20,000 tons.

Secretary DANIELS. Of course, we estimated on what Admiral Strauss stated in his testimony.

Senator LODGE. And the time he figures is 18 months?

The CHAIRMAN. No; the time necessary, in the opinion of the present Chief of the Bureau of Yards and Docks, Mr. Harris, is that if you will cut the red tape in the Navy Department—you know what red tape is; I don't—he can build it in 18 months.

Senator LODGE. And these estimates all rest on the opinions of bureau chiefs?

Senator PENROSE. Who are not experts on armor plate.

Secretary DANIELS. You could build it in 18 months or 2 years if there was no delay.

Senator LODGE. I mean, the estimates and everything else rest on the estimates of the bureau chiefs?

Secretary DANIELS. Why, of course.

Senator PAGE. Mr. Secretary, if the exigencies which the President tells us may appear immediately should come to pass, are we not liable to want, perhaps, a great deal more armor plate than has been suggested by any bill before Congress?

Secretary DANIELS. We are not now asking Congress for any more than were put in the estimates.

Senator PAGE. But if there should be a prospect of an immediate war, would not those estimates be doubled, or trebled, perhaps?

Secretary DANIELS. Of course.

Senator PAGE. Then is it not possible that it will be better to postpone the proposed legislation with regard to an armor-plate plant for a year and continue the present status of the parties that are now manufacturing armor until we see what situation is going to confront us in a month or so?

Secretary DANIELS. If it were true we were going to need a great deal more than we have estimated for, then the private plants could not meet our needs, and we would need a plant all the more.

Senator PAGE. We should not have that for a year or two, perhaps, and we want now to stimulate and encourage the existing plants to continue their operations and make a large amount of armor plate in the immediate future.

Secretary DANIELS. They have a certain limit to their production now.

Senator PAGE. I think 32,000 tons is the limit stated.

Senator JOHNSON. Mr. Secretary, you said something about the advantage to the Government of preserving secrets if we had our own armor-plate factory. I would like to have you elaborate that.

Secretary DANIELS. I mean by that there have been a number of improvements. Of course the Navy's experts are studying how to improve all war munitions. I was illustrating this by the torpedo. I think it would be very valuable for the Government to have its own factory, where its own experts could experiment in making armor plate.

Senator JOHNSON. And preserve the secrets?

Secretary DANIELS. Yes; and try to produce something better. I think that is a very strong argument in favor of having a Government plant. That does not affect the size of the plant, however.

Senator PAGE. And how long, Mr. Secretary, would it be before that plant could be put in operation, if this bill should pass?

Secretary DANIELS. At the best, 18 months.

Senator PAGE. I think the testimony of one of the admirals was it would be nearly twice that. Am I right about that?

Senator LODGE. Yes, sir.

Secretary DANIELS. Two years, I would say, would be nearer right if we had the money available and proceeded at once.

Senator PENROSE. From two to five years the estimates run, I think, according to the testimony.

Senator CHILTON. Mr. Secretary, if you have not explained to the committee, I would like to have you explain now your opinion and give us the benefit of your judgment as to the relative difference between putting up a 10,000-ton plant and a 20,000-ton plant. I know there is a difference in cost. I believe you estimated \$230 a ton for the 20,000-ton plant. I mean, to take into consideration all the factors. It might be inadvisable for us to destroy or put out of operation the plants that are now in existence. You must have studied that. Which do you think it would be best for the Government to do now, granting it was determined to build some kind of a plant?

Secretary DANIELS. As I said just now, my estimate was for a 10,000-ton plant, and the advantage of a 20,000-ton plant is that you could get armor plate at about \$32 a ton cheaper.

Senator CHILTON. Well, let us take the present situation as it exists now, taking all those factors into consideration. One of the main reasons you want a plant would be for the experimental tests you spoke of?

Secretary DANIELS. That is one of the main things, but one of the other big things is to get competition in prices.

Senator LODGE. But if the Government makes substantially all the armor plate it needs in a year in its own plant, of course, you would put the others all out of business. Do you think that would be a good thing?

Secretary DANIELS. Well, as I said just now, my recommendation was for a 10,000-ton plant at this time.

Senator LODGE. Exactly; you want to keep competition alive, with the possibility of expansion?

Secretary DANIELS. With the possibility of expansion. If we show on a 10,000-ton plant what I think we will, then it will be another question how much larger we should make it.

Senator SWANSON. Could a plant of 10,000 tons capacity be expanded to 20,000 tons capacity without the loss of much machinery?

Secretary DANIELS. Senator TILLMAN, you went into that more fully than I did.

The CHAIRMAN. My opinion is it is cheaper to build a larger plant, and I can not see where anything at all would be lost.

Senator SWANSON. I mean, if you should have a 10,000-ton plant and afterwards the developments were such that you wanted to increase it to a 20,000-ton plant, could it be done without very great loss on the 10,000-ton plant?

The CHAIRMAN. You would only lose time, in addition to the money necessary to expand it.

Secretary DANIELS. It is just a matter of more units.

Senator SWANSON. So there would not be any material loss in the expansion?

Secretary DANIELS. No.

The CHAIRMAN. I say there would be no loss whatever, but it would be a saving to build a larger plant in the beginning.

Secretary DANIELS. Undoubtedly.

Senator SWANSON. Have you ever had any proposition made to the Navy Department for the sale of any one of these plants at a reasonable price?

Secretary DANIELS. No. A year ago or more, talking to these gentlemen, one of them said, "Well, if the Government is going into this we might as well sell our plant." But it was in a casual conversation; there has been no proposition.

Senator PAGE. Is it not possible, Mr. Secretary, that this is an inopportune time to make the change, in view of what confronts us now?

Secretary DANIELS. Why, I think, in view of the larger program, this is the time to do it.

Senator PHELAN. What has been the effect of the Government's manufacture of gunpowder on prices and quality?

Secretary DANIELS. When the Government began to manufacture smokeless powder it paid to the private company 80 cents a pound.

Later, some years ago, Representative SHERLEY began an investigation as to what ought to be the price—about six years ago; I won't say exactly the time. After that investigation Congress fixed the price at 53 cents. We did not manufacture much smokeless powder then. The Sixty-third Congress increased the capacity of the powder factory, so that now we can manufacture, beginning the 1st of March, 6,000,000 pounds a year. It costs us 24 and a fraction cents to manufacture it; that is, the first cost, not counting investment and overhead charges. Counting that, it costs about 35 or 36 cents.

Senator LODGE. That includes everything?

Secretary DANIELS. That includes everything. It is 25 cents if you do not charge anything except the mere cost of the powder; charging everything, it costs 35 or 36 cents.

Senator CHILTON. Factory cost?

Secretary DANIELS. Factory cost.

Senator SWANSON. What has been the experience in connection with the manufacture of guns?

Senator LODGE. I would like the Secretary to finish this matter.

Secretary DANIELS. We can manufacture in the Navy, beginning the 1st of March, all the powder we need in the regular orderly operation as the General Board has prescribed. We can make it all, as I say, at a cost of 25 cents net, or 36 cents with the overhead charges, a very great saving, you see.

The CHAIRMAN. What is the experience of the Government with the lasting qualities of smokeless powder?

Secretary DANIELS. It lasts longer.

The CHAIRMAN. Can it be kept in stock and stored up?

Secretary DANIELS. Every few years we rework this powder, but Admiral Strauss has been able to make it so much better we do not have to work it so often. About once in three years we rework this powder. It used to be worked oftener.

Senator PHELAN. You make it at 35 cents?

Secretary DANIELS. Including all overhead charges; yes.

Senator PHELAN. What is the commercial market price for large quantities of powder?

Secretary DANIELS. Congress fixed the price that we should pay when we buy it outside at 53 cents.

Senator PHELAN. But what do the manufacturers sell it to outside purchasers at?

Secretary DANIELS. I do not know, Senator. A dollar a pound I think they are charging now.

Senator CHILTON. I have heard that.

Secretary DANIELS. My understanding was the Du Pont Co. had a contract abroad for millions of pounds at \$1 a pound.

Senator PHELAN. The same quality of powder?

Secretary DANIELS. I think they make the same quality of powder.

Senator PHELAN. You now manufacture all you need in the orderly routine operation of the Navy?

Secretary DANIELS. We will be in March.

Senator LODGE. But we do not make enough for war?

Secretary DANIELS. No; not for war.

Senator PHELAN. Does it deteriorate by storage?

Secretary DANIELS. Yes; about every three years we have to rework it.

Senator PHELAN. What else does the Government manufacture?

Secretary DANIELS. Torpedoes, some types of guns—

Senator SWANSON. While you are speaking of guns, what was the cost of guns before the Government manufactured them, and what does it cost now to manufacture these guns?

Secretary DANIELS. I would like to look into that. As a general rule, if we can manufacture them cheaper than we can buy them outside we manufacture them, and generally we have been able to do so. Sometimes we have made a contract outside at a lower price than we could manufacture at, but we have made a considerable saving as a whole. If you will let me have a little time to look up the figures, I will put that in the hearings. We have generally made them cheaper than we can buy them outside.

Senator PHELAN. I think this information is very interesting, in view of the fact that a larger part of the opposition to the program of preparedness comes from men who think that those who manufacture munitions are always stirring up trouble and inspiring the war spirit for the purpose of selling their wares. You say that all the powder used in the ordinary orderly routine of the Navy's operations is manufactured by the Government plant?

Secretary DANIELS. Yes.

Senator PHELAN. And what percentage of the small arms?

Secretary DANIELS. Not a very large per cent; a very small per cent.

Senator PHELAN. Torpedoes?

Secretary DANIELS. We manufacture torpedoes, over half.

Senator PHELAN. Then if you manufacture your armor plate and build your ships in navy yards that objection to preparedness would be answered?

Secretary DANIELS. I think it would be a good proposition for the Government in every way.

Senator PHELAN. And in the proportion that you do manufacture these things as a Government, in that proportion would the sentiment against preparedness be allayed?

Secretary DANIELS. That part of the preparedness sentiment that comes from those who get money out of it.

Senator PENROSE. Would that satisfy Henry Ford and William Jennings Bryan, do you think? If that was eliminated, would they be for preparedness then?

Senator PHELAN. It would probably deprive them of one of their arguments.

Senator PAGE. Would there be any material embarrassment, were we to have war now with a foreign power, in securing the proper amount and quality of powder?

Secretary DANIELS. No; I think not; because our plant and the private plants have been so much engaged recently. But our country always is in a position that if we had war we would have to buy munitions of all kinds.

Senator PENROSE. Mr. Secretary, on that point, if the Government goes into this on the basis of manufacturing all the munitions they require, where will they find private manufacturers able to manufacture munitions when a larger demand occurs in case of war?

Secretary DANIELS. I have not advocated the manufacture of all, Senator.

Senator PENROSE. Take your battleships, your armor plate, your guns, your powder—even Admiral Strauss declared that the policy of France had been a failure in the manufacture of powder. If a war should occur, perchance, an enormous demand will be created and these individuals will have disappeared like the buffalo.

Secretary DANIELS. I do not think we ought to pay excessive prices because of that fear.

Senator PHELAN. One of the objects of your plan is to determine the cost of these things?

Secretary DANIELS. Yes; and this is true: Take the question of powder—that has now been turned into a science. For a long time we manufactured only a fourth, or a third, or a half, and we bought additional powder, and we had competition between outside and inside. Now, our experts can make it perfectly; and it would be a very unwise policy for this Government to pay 53 cents when it can make it for 35 or 36.

Take the question of shipbuilding, for instance. I really think we get better results if we have some built at navy yards and some built by private companies, because we get the competition between our own experts and outside experts.

Senator SMITH of Maryland. Do you not think that is the case in regard to armor plate, that we could manufacture some and leave enough for outside parties to encourage them to keep in a prepared state?

Secretary DANIELS. That may be the wisest course, Senator.

Senator CHILTON. That was one of your recommendations; that was one of the considerations.

Secretary DANIELS. In my estimates I estimated that we should make a 10,000-ton plant. That was my recommendation. It is much better as a matter of economy to make it 20,000 tons.

Senator SMITH of Maryland. It might be better possibly to pay a little more and have assistance when you need it, from outside parties, but to build a plant of 10,000 tons would enable you to get at what ought to be paid for it, and it would also stop the monopoly, if there is a monopoly, and it also would enable you to have the secrets which you think are very valuable, and at the same time not destroy the private industries altogether.

The CHAIRMAN. Mr. Secretary, as to this proposition for a 20,000-ton plant, the estimate of cost is based upon its running all the while—three shifts. It is not customary to run Government plants 24 hours in a day. Therefore, unless there is an emergency, we could reduce the time of manufacturing armor to eight hours a day, and jog along in that way, and the cost would not be as much as we are now paying.

Mr. BARBA. It is not possible, Mr. Chairman, to run an armor plant eight hours a day. It is not physically possible.

Mr. GRACE. The operations require continuous work.

Mr. BARBA. The operations require absolutely continuous performance 24 hours a day 7 days a week.

The CHAIRMAN. You mean the heat has to be maintained?

Mr. BARBA. Yes, sir. I instanced a week ago in my testimony one operation, which is common to every armor plant, which requires from 18 to 25 days' continuous operation at a temperature of 2,000° F. without cessation. You can not do that on an eight-hour basis.

The CHAIRMAN. That is one of the special parts of the manufacture, however.

Mr. BARBA. You can do that in the case of machines where the tools may stand idle.

The CHAIRMAN. My judgment would be it would be possible for the Government armor factory to run on those processes which are not necessarily continuous in such a way as not to make it necessary, and you could get the same results, and you could expand and run 24 hours a day in an emergency.

Mr. BARBA. But, Senator TILLMAN, where does your cost go under such an operation as that? When you are working 8 hours a day and the plant is idle 16 hours a day, everything stops more than 16 hours a day. It takes longer than 8 hours a day to pick up and get going. You need a little manufacturing experience, Senator, to show you the truth of these statements I am making to you.

Secretary DANIELS. You asked me just now about the guns. I find I have the facts in my testimony before the House committee last year. It cost something less than \$60,000 to build a 14-inch gun. The Army is making 10 for us at a cost of about \$61,000 apiece. We asked for bids on those 10 guns, and the Midvale and Bethlehem companies bid \$79,000 apiece for them, a difference as against the Army price of approximately \$18,000 and as against the Navy price of \$19,000. That was for 14-inch guns.

Senator PHELAN. Of course that question of cost is subject to change when you add in the interest on investment and overhead charges?

Secretary DANIELS. All those things enter in, of course.

Senator PHELAN. There is no standardization of statistics, it seems to me.

Senator PENROSE. That is the whole trouble.

Senator LODGE. The costs are almost valueless.

Senator PENROSE. Figures will prove anything about the cost of Government work.

Secretary DANIELS. Well, figures prove as much about Government work as about private work.

Senator PENROSE. I did not go that far; I am willing to admit that, too.

Secretary DANIELS. These figures, though, absolutely show the cost to the taxpayers.

Senator SWANSON. But this was after bids. Bids were made for 14-inch guns, and the navy yard had all its plant, and the Army had its plant and overhead charges, and a bid was made by the Army to construct ten 14-inch guns for the Navy, and the difference between the Army price and the price submitted by the outside bidders was \$18,000 on each gun.

Senator PHELAN. That is due to the fact that the Government is not paying dividends to stockholders.

Senator PENROSE. And not paying taxes.

Secretary DANIELS. But do not forget we have equally large overhead charges. The leave, liability, and sickness amount to from 10 to 12 per cent, and outside companies do not have these charges.

Mr. KING. We have every bit of that.

Secretary DANIELS. Some of it. They do not give the leave that we give; they do not have those outside charges that we have. So you must consider both; I do not mean to say they equalize each other, but you must consider both.

Senator PHELAN. There is one thing certain, that the Government does not pay more than they would have to pay if they employed private concerns.

Secretary DANIELS. In most instances they pay less, and when they pay more they get it outside. Now, when we gave these bids out, if Midvale and Bethlehem had bid lower for these guns they would have gotten them.

Mr. KING. Would you have shut down your plant, sir?

Secretary DANIELS. Sometimes it might possibly be better to temporarily stop a portion of the plant if we could get them cheaper.

Mr. BARBA. Mr. Chairman, I would like to call attention to a fact about the manufacture of small guns.

The CHAIRMAN. Do you mean rifles?

Mr. BARBA. Four-inch rifles, 5-inch rifles, and such as are going on our smaller naval units. That is the type of gun which can be produced most quickly and rapidly in time of stress and emergency. The Midvale Steel Co. has not had an order for these small guns in three years, due to the fact that the Washington Navy Yard and the Watervliet Arsenal have taken every gun the department had to give out; and the Midvale Steel Co.'s tools and equipment are idle so far as those guns are concerned. The men, the expert workmen on lock mechanism, are scattered and are not any longer in our employ, and to-day we could not make those guns.

Senator PHELAN. Are you making those guns for foreign order?

Mr. BARBA. Not at present, sir.

Secretary DANIELS. But you are taking orders?

Mr. BARBA. We hope to.

Secretary DANIELS. The Midvale Co. declined to take any foreign orders until it recently sold out, and since then it has taken orders.

Mr. BARBA. We hope to take orders for relatively small guns—and large ones.

Secretary DANIELS. Of course, whenever we can make guns cheaper ourselves we make them; when we find it cheaper to go outside and get them we go out outside, like any other business concern.

Mr. MATTHEWS. Mr. Secretary, is there not legislation to prevent your doing that?

Secretary DANIELS. We are compelled by certain legislation to keep our plants working, if we can do so economically. I have forgotten the exact words of the legislation. Before that it often happened the Government factory was standing idle and the contracts were awarded outside. Congress put a provision in the act that we should keep the Government factory busy.

Mr. BARBA. The purpose of my remarks about the small guns was to show the certain atrophy that comes on a plant that is allowed to fall into disuse.

Senator PHELAN. The gentleman says he has orders, if I understand him, for foreign guns?

Mr. BARBA. Not at present; we have made bids. But it will require us to overhaul our plants and reassemble our crews before we can undertake to accept those contracts.

Senator PHELAN. That would be very advantageous to you—to keep your plant going?

Mr. BARBA. Yes; and that is the reason why we do it. We would far rather have our plant filled with the work for which it was designed.

Senator PHELAN. Do you think your foreign orders would probably enable your plant and all other plants in this country to keep in operation?

Mr. BARBA. Yes, a short time; but against the policy of the United States.

Senator PHELAN. Are you familiar with the export trade in munitions?

Mr. BARBA. Yes; pretty well.

Senator PHELAN. Will you state what percentage of the whole amount of munitions goes from the factories of the United States to European battle fields?

Mr. BARBA. It is almost impossible, Senator, to give you such a figure as that.

Senator PHELAN. Is it more than 5 per cent?

Mr. BARBA. Yes, indeed.

Senator PHELAN. It has been stated it was about 5 per cent of the whole amount consumed on the other side.

Mr. BARBA. I think Mr. Grace can give you a very much more accurate statement than I, because I heard him make a remark the other day which showed he had some information. And as he has manufactured very much more in the way of munitions than we have at Midvale I would be glad to retire in his favor. I am certain there is a very large proportion of the stuff being used abroad coming from America to-day, but the plants were largely built as emergency plants. They were remodeled car foundries, remodeled railroad shops, factories of all kinds. And they have, of course, figured on amortizing every bit of their new equipment on the cessation of war orders, and they, of course, will desire to return to their standard line of business.

Senator PHELAN. That is irrelevant anyway.

The CHAIRMAN. I would like to submit this bill to the committee and get a vote on it.

Senator PENROSE. Don't you think, Senator, we had better do that in executive session?

Mr. GRACE. If the hearings are about concluded, I would like to have a few minutes to make one more statement, if it is convenient.

The CHAIRMAN. If Secretary Daniels has finished.

Secretary DANIELS. I believe I have nothing more to add.

Mr. THOMPSON. Mr. President—

The PRESIDING OFFICER (Mr. VARDAMAN in the chair). Will the Senator from Arizona yield to the Senator from Kansas?

Mr. ASHURST. Yes; I will yield.

Mr. THOMPSON. I simply wish to ask whether the Secretary indicated that the bids of the three companies were at that time identically the same when submitted a second time?

Mr. ASHURST. If my memory serves me correctly, they reduced their bids and the contract was divided among the three. In the bidding there was absolutely no pretense of competition. The bids were all reduced and accepted at the reduced figures.

Mr. HUGHES. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from New Jersey?

Mr. ASHURST. I yield.

Mr. HUGHES. The Senator is aware that the Navy Department adopted a policy of dividing the work and divided the bids to make it an equal amount to each.

Mr. ASHURST. Yes.

Mr. KENYON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Iowa?

Mr. ASHURST. I yield to the Senator.

Mr. KENYON. Before the Senator leaves the evidence, I should like to ask him if any explanation was made by anyone as to why these gentlemen sold armor plate cheaper to foreign nations than to their own country?

Mr. ASHURST. Mr. President, although I have not carefully read all the hearings, my remembrance is that there is no explanation in the hearings as to why it was that they sold it to Russia, Italy, and Japan at a much cheaper price than to our own Government.

Mr. KENYON. May I ask the Senator another question? The newspapers stated that notice of some kind was served upon the committee that if an armor-plate factory was to be built by the Government or the construction in any way commenced the manufacturers would raise the price of armor plate to the Government \$200 per ton. Is there evidence of that kind or is it a newspaper story?

Mr. ASHURST. I saw the article in the newspapers, but not finding it in the testimony I refrained in my address from advertising to it.

Mr. KENYON. The Senator finds nothing of that kind in the testimony?

Mr. ASHURST. I did not find anything in the hearings. If such a statement was made, of course it was a most offensive and stupid thing for anyone to say.

Mr. TILLMAN. Mr. President—

The PRESIDING OFFICER. Will the Senator from Arizona yield to the Senator from South Carolina?

Mr. ASHURST. I yield to the Senator.

Mr. TILLMAN. I will state to the Senator from Iowa that when the Senator from Pennsylvania [Mr. PENROSE] comes back and makes his own speech, I wish he would ask him the question. He is the man who notified the committee of that fact. He said they would raise their price \$200 a ton.

Mr. GALLINGER. Mr. President—

Mr. ASHURST. I yield to the Senator from New Hampshire.

Mr. GALLINGER. I think no one has suggested that the Senator from Pennsylvania [Mr. PENROSE] was voicing the views of any of the manufacturers when he made that observation. I have seen it suggested that he made the observation, but I imagine that he did it entirely on his own responsibility.

Mr. LEWIS and Mr. REED addressed the Chair.

The PRESIDING OFFICER. Will the Senator from Arizona yield; and if so, to whom?

Mr. ASHURST. I will yield first to the Senator from Illinois, as he rose first, and then I will yield to the Senator from Missouri.

Mr. LEWIS. Mr. President, I take the liberty to make a response to the inquiry of the Senator from Iowa and to say to him that when investigations were on touching the question of the armor plate being sold to foreign nations at a price less than that sold to our Government, I happened to bear an insignificant relation to the query, being then a Member of the House and serving in rather an incidental capacity. The present chairman of the Naval Committee of the Senate [Mr. TILLMAN], then a Member of the Senate, began the conflict here in this body, as the Senator from Arizona in his opening address stated. A few Members of the House, including myself, assumed to open an inquiry in the House. I recall that this statement was made in answer to the two inquiries. One was that what was sold to Russia was of a quality that did not comply with the specifications of our own Government for our own use and therefore was useless to the United States. Second, as to the other Governments, that it was a surplus, a matter which there had been no demand for, and it was to save a loss to themselves. Such were the only responses we received.

Mr. ASHURST. I thank the Senator. I yield to the Senator from Missouri.

Mr. REED. Owing to the time that has elapsed, I shall not ask the Senator to yield to me now.

Mr. MYERS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Montana?

Mr. ASHURST. I do not want to lose the right to the floor, but I cheerfully yield to the Senator from Montana.

Mr. MYERS. I understand from the tenor of the Senator's remarks and his quotations that this evil practice of noncompetitive bidding was really the fault of the Government under former administrations and not the fault of the bidders at all. It was encouraged by the Government under former administrations, was it not?

Mr. ASHURST. There was no doubt of that.

Mr. MYERS. But the present administration is not indulging in that reprehensible practice?

Mr. ASHURST. That is very true.

Mr. MYERS. The Senator ought to make it plain that the present administration is not indulging in any such reprehensible practice.

Mr. ASHURST. I thank the Senator from Montana for calling my attention to that point.

Mr. THOMPSON. Mr. President—

Mr. ASHURST. I yield to the Senator from Kansas.

Mr. THOMPSON. The point I really wanted to bring out more clearly was, because of the suggestion of the Senator from New Jersey [Mr. HUGHES], that it was the policy of the Navy Department to divide the contracts among different bidders. It is not the present policy of the Government to do so under this administration.

Mr. ASHURST. I thank the Senator for his suggestion.

Mr. GALLINGER. Mr. President—

Mr. ASHURST. I yield to the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, it is interesting to be told by the Senator from Montana [Mr. MYERS] that the present administration is purer than the Republican administration.

Mr. MYERS. I simply asked the question.

Mr. GALLINGER. What was done in that regard during the years of the Cleveland administration?

Mr. ASHURST. Will the Senator from Montana permit me to answer?

Mr. MYERS. Yes.

Mr. ASHURST. Mr. President, whether Democrat or Republican, all, I think, respect the memory of Grover Cleveland. His administration was the pioneer in the movement looking toward securing cheaper armor plate. It was under his administration that one of these companies now charging the Government extortionate prices was fined \$150,000 for palming off on the Government fraudulent, defective, treacherous armor plate.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Utah?

Mr. ASHURST. I yield.

Mr. SMOOT. Of course, the Senator has not answered the question asked by the Senator from New Hampshire.

Mr. ASHURST. I will try to answer it. I do not want to dodge it.

Mr. SMOOT. But I want to ask the Senator a question.

The PRESIDING OFFICER. Does the Senator from Arizona yield?

Mr. ASHURST. I yield.

Mr. SMOOT. I understood the Senator to say that the present Secretary of the Navy, Mr. Daniels, had received bids for armor plate at the price of \$454 a ton; that he thought the price was too high and asked for other bids; and that the three bidders named by him then bid \$440 a ton. Then the Secretary of War followed the same practice that was followed by other administrations—by dividing the amount of armor plate purchased by the Government among the three concerns.

Mr. ASHURST. In answer let me read again—

Mr. SMOOT. Is not that correct?

Mr. ASHURST. Let me read what the honorable Secretary himself said:

Secretary DANIELS. 1913. I rejected all these bids on the ground that there had been no competition. Later I had a talk with the gentlemen representing these three companies and told them that we wished competition and that I could not understand how they could hit upon identically the same figure to a cent. Their answer was this: The Midvale people said that some years before that, when bids were offered, they had made the lowest bid but were not awarded the contract and that the department adopted the policy of dividing the contract between the three concerns; and they said, of course, "Why should we bid a lower figure if it is going to be awarded one-third to each of us at the same price?" But I advertised again, and they came down to \$440 per ton, enabling the department to effect a saving of \$111,000 on that contract.

Since then we have had bidding which has varied very little and we have had, of course, practically no competition.

Mr. SMOOT. But the Senator knows that the contracts were awarded to the three companies who bid, and for this reason the Midvale Co. could not produce in the time specified in the call for bids the amount of armor plate that the Government asked for, and in order to get the amount of armor plate it required, the Secretary of War had to divide the bids among the three bidders.

Mr. ASHURST. Is the Senator talking about 1903 or 1913? Mr. SMOOT. I am talking about 1913.

Mr. ASHURST. I have no evidence indicating that the Midvale Co. could not furnish all the armor plate.

Mr. SMOOT. Is it not generally understood—

Mr. ASHURST. I do not know.

Mr. SMOOT. That the armor-plate plants of the United States are built with a view of producing the amount of armor plate that the Government of the United States requires? That is as I understand it, Mr. President.

Of course the policy was in the past to divide the purchases among the three companies. I think the Senator also knows that in the past the Government, in receiving bids for powder, in many cases decided to award the bid to more than one company. The Government felt that when it went into the manufacture of powder it would be very unwise for the Government to manufacture all of the powder needed for the Government, because if that were the case and trouble came and a great demand made on the Government for munitions of war, if all the private institutions had been driven out of the business the Government would find itself in a very helpless condition. That was the policy in relation to powder, and I understand the policy in relation to armor plate has been to encourage more than one firm to manufacture the same.

Mr. ASHURST. So far as I am advised, I am not aware that the policy of the Secretary of the Navy or of Congress has been to try to drive the manufacturers out of business, but the Secretary insists that the Government shall have its own plant, where it may manufacture 10,000 tons or 20,000 tons a year, so that it may procure its armor plate at a reasonable price and will not be forced to submit to extortion, and may, if it wishes, manufacture all its armor plate. The same is true as to powder.

Mr. SMOOT. My remarks to the Senator had no reference whatever to the question as to whether the Government at this time should enter into the manufacture of armor plate. My remarks only referred to the past policy of the Government in relation to the purchase of powder and also the purchase of armor plate.

Mr. MYERS. Mr. President—

The PRESIDING OFFICER (Mr. THOMPSON in the chair). Does the Senator from Arizona yield to the Senator from Montana?

Mr. ASHURST. I yield.

Mr. MYERS. I wish to rejoin to the remark made by the esteemed Senator from New Hampshire [Mr. GALLINGER] by saying that when it is proven from the records that his party had been bad in the past I am quite willing for him to have the poor consolation of recording that the Democrats have been just as bad at times in the past, if he will couple with it the further fact that the Democrats have quit those practices and under this administration have put an end to all of the bad practices of the past of both political parties and have set a new standard of honesty in public matters.

Mr. GALLINGER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from New Hampshire?

Mr. ASHURST. I yield.

Mr. GALLINGER. My view of the Democratic Party is that which was expressed by the old lady who said that her son was totally depraved and growing worse every day. [Laughter.]

Mr. MYERS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Montana?

Mr. ASHURST. Just let me say a word. With all respect to my distinguished and beloved friend, the Senator from New Hampshire [Mr. GALLINGER], when the Democratic Party merits his hearty condemnation it is entitled to a certificate of good character. [Laughter.]

Mr. MYERS. I accept the rejoinder made by the Senator from Arizona.

Mr. ASHURST. I do not want to be discourteous, but I want to conclude as soon as possible.

Mr. GALLINGER. Just one word, Mr. President.

Mr. ASHURST. I yield to the Senator from New Hampshire. I did not intend my remarks to be discourteous.

Mr. GALLINGER. Of course not.

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from New Hampshire?

Mr. ASHURST. I yield.

Mr. GALLINGER. I desire to ask a question of the Senator for information. He has been looking into this matter much more carefully than have I. It has been stated to me by parties whom I supposed knew something about the matter that foreign Governments were now paying more for armor plate than is the United States. Does the Senator know anything about that?

Mr. ASHURST. I am unable to supply that information. There are some data in the hearings with reference to it; but I did not deem it necessary to include them in my remarks.

Mr. President, surely we all may congratulate ourselves that the successful consummation of this legislation is about to be realized. The Nation cares very little for the expression of Senators; it cares very much as to what they do. The American people care but little as to what the Democratic Party or any other political party may say; the people care very much as to what a political party may do. The duty to create an armor-plate factory is before the party which has control in both Houses of Congress. Every mainspring and every motive that could influence a Senator to perform a patriotic act now calls upon him to vote for this bill. I have no criticism to make against any Senator who votes against this bill or views it differently from the way in which I do. He is doubtless just as sincere in his views as I am in mine; but, according to my view, it is our duty to pass this bill. The interests of this Government—interests sacred and stupendous—have been committed to us. Therefore we should in all things demonstrate that we have the ability, skill, and courage to meet those duties in a high and noble way. Congress has investigated for over 20 years; now is the time for action.

When I first entered Congress I began to give attention to this matter, for I believed then, as I believe now, that the Government should not be left to depend wholly upon private parties for its supply of those articles which it might, unhappily, be required to use for its defense.

Another and an important reason why the Government should construct its own armor plate is that under the present arrangements we have no knowledge whatever as to the class of armor plate that is being furnished to the Government. We are left to depend almost wholly upon the patriotism of the armor-plate makers. If they see fit to do as some of them did two decades ago, furnish the Government with armor plate full of "bubbles" and blowholes, we have no adequate means of knowing whether the armor is sound and perfect or treacherous and defective until that day when it may be put to the test. After an engagement has commenced and we find that some of our dreadnaughts have been covered with defective armor, it is too late to do aught else than utter vain regrets and curse ourselves for not taking precaution and provision to be absolutely sure that defective armor plate was not furnished to us.

It will be recalled that one of these companies, over 20 years ago, was fined nearly \$150,000 for palming off fraudulent armor plate upon the Government.

I have now said, Mr. President, all I wish to say about the manufacture of armor for vessels of the Navy. I will conclude my remarks on that subject by venturing the prophecy that the bill to erect an armor-plate factory will soon become a law.

I will now advert to another matter equally as important, if not more important than even the armor-plate factory, and that is the necessity for a Government plant for the fixation of atmospheric nitrogen. It is a very happy circumstance that I find another distinguished Senator from South Carolina [Mr. SMITH] has introduced a bill to provide for the construction of such a factory. As I said in the beginning of my remarks, South Carolina has furnished many statesmen to the Nation. We have evidence here that her loyal and devoted sons have been in the forefront of these great movements. I advert to Senate bill 4971, introduced by the Senator from South Carolina [Mr. SMITH], proposing to appropriate \$15,000,000 for the purpose of constructing a plant for the fixation of atmospheric nitrogen; and my attention also is very happily called to a bill introduced by the distinguished Senator from Montana [Mr. MYERS] on March 9, 1916, proposing to appropriate a sum of money to allow a board of Army engineers to search for, locate, and make a report upon the necessity and feasibility of plants for the fixation of nitrogen. That bill, as well as the bill introduced by the Senator from South Carolina, exhibits statesmanship. What they may say we will listen to; but it is what a Senator does—what he does for the present and the future—not for his own particular State especially, but for the whole country, that measures him as a statesman, and I say the Senator from Montana

[Mr. MYERS] and the Senator from South Carolina [Mr. SMITH] exhibited statesmanship when they introduced those bills, and I hope they will press them to a successful conclusion.

Mr. MYERS. Mr. President—

Mr. ASHURST. I yield to the Senator.

Mr. MYERS. In that connection, I wish to call attention to the fact that my bill provides for inquiring into the feasibility of locating a plant at the town of Polson, Mont., where there is a splendid water-power site withdrawn by the Government, and where all the facilities for such a work, I believe, are at hand and may be found convenient.

Mr. ASHURST. I know the Senator will press his bill diligently.

One of the chief reasons why I am inclined to favor the Ferris bill, House bill 408, which is now the unfinished business, is that I have the hope that, if that bill or some similar bill becomes a law, sufficient quantities of hydroelectric power may be generated so that atmospheric nitrogen may be manufactured, for the necessity of nitrogen now is becoming just as great as the necessity for food and water.

The data which I employ to-day with reference to the fixation of nitrogen I secured from a lecture delivered by Mr. Henry J. Pierce, of Washington State, and from various governmental publications, which I have been perusing for the past month.

Mr. GALLINGER. Mr. President—

Mr. ASHURST. I yield to the Senator.

Mr. GALLINGER. Mr. President, I will ask the Senator if it is not a fact that a great many men eminent in their profession as chemists are investigating this very subject?

Mr. ASHURST. Yes, indeed.

Mr. GALLINGER. And is it not a fact that already there have been some plants constructed and that the operation of getting nitrogen from the air has been proved something of a success by private parties?

Mr. ASHURST. Absolutely a success. If the Senator will permit me, I am going to deal with that subject somewhat in detail a little later, and I will answer his question more in detail as I proceed.

Mr. GALLINGER. My thought simply is whether we are going to put the Government into all kinds of business. The taking of nitrogen from the air has been proven a possible thing by private parties and by the investment of private capital. Now, if we are going to put the Government into this business, the Senator can think of a hundred other kinds of businesses that the Government can engage in. I do not know but that the Senator believes that it would be a good thing for the Government to take over all the business of the country.

Mr. ASHURST. No; I do not. But, Mr. President, one of the chief arguments against the erection of an armor-plate factory was that we would drive out capital already invested. It is a potent argument; but, so far as I know, no considerable amount of capital, if, indeed, any capital, has been invested in the United States with respect to the fixation of atmospheric nitrogen. A plant was intended to be located in the southern part of our country, but it went to Niagara Falls, Canada, instead of Niagara Falls, United States. I do not know that there are any such investments at all in this country; so the argument that we are driving out private capital on this score is not tenable.

Mr. GALLINGER. Mr. President, I did not make that argument at all. If I were to express a thought on that point, I would say that if private capital can not develop that industry I do not believe the Government can.

Mr. ASHURST. But, Mr. President, other Governments have done so. England has her hydroelectric plants in Iceland for the extraction of nitrogen from the air. Germany does not import any nitrogen for the manufacture of explosives; she takes it from the air. There are great plants of this kind in Norway. It is absolutely a success, beyond the peradventure of a doubt.

Mr. GALLINGER. But does not the Senator think that, if this is an enterprise that promises fair returns, the enterprising business men of the United States will go into it and make it a success?

Mr. ASHURST. Mr. President, Congress has not given to business and to the capital which would be required to erect these plants sufficient law under which they could make development. That is the very reason why the distinguished junior Senator and the distinguished senior Senator from Montana have so earnestly pressed the Ferris bill, in the hope and in the belief that some adequate legislation will be afforded, so that this may be brought about.

Mr. GALLINGER. Then, the burden does not rest upon the private citizen or upon the capitalist, but upon Congress, which has closed the door to the possibility of this development. Is that it?

Mr. ASHURST. The conservation movement of some seven or eight years ago closed the door to all kinds of development, and we are trying to have it unlocked and opened up.

Mr. GALLINGER. Then, I wish to ask one further question. Supposing the door is opened, that the conservation bills are passed, and that sufficient hydroelectric power can be developed, does the Senator not think that the enterprising, progressive people of this country and the capital of this country will engage in the manufacture of nitrogen from the air?

Mr. ASHURST. I think so; I hope they will.

Mr. WALSH. Mr. President, will the Senator from Arizona allow me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Montana?

Mr. ASHURST. I yield to the Senator.

Mr. WALSH. I desire to refer to a matter suggested to me by the queries of the Senator from New Hampshire, that the proposition for the Government to construct and operate nitrate works at Polson, in the State of Montana, as contemplated by the bill introduced by my colleague, does not present the ordinary question of the Government going into a business enterprise. When it does, it must, of course, provide itself with all of the facilities; it must go out into the market and buy them. Here is a case where it owns all that is necessary in the way of power possibilities. Of course the first requisite to a nitrate plant is cheap power. Probably such a plant could not be made profitable where the power would cost more than \$12 to \$15 a horsepower. Likewise there must be a great quantity of it. A project of that kind can not be profitably or economically carried on unless at least 100,000 horsepower is available. At Polson there is a matter of from 200,000 to 250,000 horsepower available, the Government already owning the land. Now, it is a question as to whether we shall dispose of that land to private individuals under the provisions of the bill which is now the unfinished business, if it shall become a law, and allow private individuals to utilize that power and produce the nitrate and then buy the nitrate from the private company in order to supply the Army with proper ammunition, or whether the Government, having the basis already upon which the production rests, would be justified in going and building the plant.

Mr. ASHURST. Mr. President, I will now read a clipping from the New York American of March 12, 1916:

AMERICAN SHIP SEIZED BY BRITISH OFF CHILE COAST—STEAMER EDNA, LADEN WITH NITRATE, IS TAKEN BY CRUISER TO FALKLAND ISLANDS. WASHINGTON, March 11.

The American steamer *Edna*, formerly the Mexican steamer *Mazatlan*, now owned by Sudden & Christenson, of San Francisco, has been captured by a British cruiser. She was taken to Port Stanley, Falkland Islands.

The *Edna* left San Francisco some time ago with a domestic cargo for the west coast of South America. Returning she was loaded with nitrate, valuable in munitions manufacture. Her destination was Barbados and Martinique, and she left a Chilean port February 27, with orders to coal at Talpal, Chile. She never reached the latter port. No reason for her seizure was given, but it is assumed the nature of her cargo caused the capture.

Mr. President, in discussing the preparedness question we must not be oblivious of the fact that if we had a contest with a great naval power it could seize the Chilean nitrate deposits or interrupt our communication by ships between the Chilean deposits and this country, and cause our country a great deal of distress and trouble, without coming within 3,000 miles of us, simply by shutting off our supply of nitrate. I call the attention of Senators to the significant line in the newspaper clipping, as follows:

Returning she—

The *Edna*—

was loaded with nitrate, valuable in munitions manufacture.

Nitrogen comprises four-fifths of the atmosphere, and is a constituent of all organized life and tissues. It is a colorless, tasteless, odorless, gaseous, nonmetallic element. We live in it, we breathe it, we eat it, and it constitutes a portion of our human frame. It is absolutely necessary to the existence of animal and plant life. Without fixed nitrogen the earth would soon become an uninhabited desert waste. While the atmosphere contains an exhaustless supply of nitrogen, it being estimated that 20,000,000 tons exist above each square mile of the earth's surface, yet 90 per cent of the plant life that lives in it does not absorb it and the remaining 10 per cent absorbs but a small proportion of that which it requires. The world has been dependent for most of its supplies of fixed nitrogen upon the nitrate of soda beds of Chile, where, during some convulsion of nature at some remote past time, the soda absorbed quantities of nitrogen from the air. During 1913 the United States imported 625,000 tons of Chilean nitrates, valued at \$21,000,000, upon which the Chilean export duty was 60

per cent. The richest nitrate beds of Chile, however, will be practically exhausted by 1923; and were it not for the discovery of processes whereby it is now possible, with the aid of electric energy, to obtain supplies of fixed nitrogen from the atmosphere, the world would stand in imminent deadly peril and the perpetuation of the human race would be endangered. It is a wonderful providence that perpetual and inexhaustible supplies of nitrogen may be obtained from the atmosphere by the use of electric energy obtained from our water powers, whose flow is also constant and everlasting, and that thus our limited supplies of fuel, laid aside by nature, may be conserved for other uses.

Mr. SMITH of South Carolina. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from South Carolina?

Mr. ASHURST. I yield to the Senator.

Mr. SMITH of South Carolina. Mr. President, the Senator from New Hampshire [Mr. GALLINGER] referred to private capital entering this field, which has now passed the empirical stage and has become a fact. The necessity of securing potash for the manufacture of munitions of war is no greater than for another industry quite as potential in our preparedness plans, namely, the sutlers' department, supplied by the agricultural interests of this country. The fields of the Atlantic seaboard from Maine to Florida are absolutely dependent upon the presence of potash, nitrogen, and phosphoric acid, and, of course, those three ingredients enter more largely than any others into the manufacture of explosives; in fact, they constitute the bulk of them.

This country to-day is largely dependent for its supply of available chemical potash upon the potash wells of Germany. From September, 1913, to October, 1915, the price of muriate of potash rose from \$40 a ton to \$500 a ton in the wholesale market of this country, and to-day it is without price at all. We stand face to face with that fact, although from the coast of Alaska to the southern point of southern California there are untold millions of pounds of potash in the form of kelp which is easily accessible and has only to be dried, ground, and sacked to be ready for use. The chemical process of extracting the liquor from which the crystals of the potash are to be obtained is comparatively simple; but because the field is large and competition might be certain and huge profits are not in sight, except by holding up the agricultural interests of this country, nobody has entered that field.

At the proper time, in connection with the bill which I have introduced, I shall call attention to the fact that the patriotic, progressive sons of America are more patriotic and more progressive when they can hold up their fellow Americans. That kelp field lies there now easy of access, but no one may preempt the field and get a monopoly to hold up the agricultural interests, and therefore nobody enters it. If I can possibly do so, I shall try to get this Government to enter it to save the agricultural interests first and foremost from being absolutely impoverished, in my section at least, and in order to enable the Government not only to defend us from enemies abroad by providing for an adequate supply of munitions and explosives, but to take care of our friends by promoting the fertility of the soil.

Mr. WALSH. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Montana?

Mr. ASHURST. I yield to the Senator.

Mr. WALSH. I wish to refer to another matter. The Senator from South Carolina has told you of the desperate situation in which this country is to-day by reason of the fact that it is entirely dependent upon Germany for its supply of potash. The celebrated Searles Lake deposits, in the State of California, can easily supply any possible domestic demand, but there is no law to-day under which those deposits can be appropriated. On the first day of the present session of Congress I introduced a bill looking to the disposition of deposits of that character, and in the hope that it might speedily come before the Senate I asked that it be referred to the Committee on Mines and Mining, of which I have the honor to be chairman. It was, however, referred to the Committee on Public Lands. I advised the Senate at that time as to what the significance of that move was. The bill is still there. I understand it is going to be before the Senate soon, however.

Mr. GALLINGER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from New Hampshire?

Mr. ASHURST. I yield to the Senator from New Hampshire.

Mr. GALLINGER. I gather from the suggestions of the learned Senator from Montana that we have an abundance of these products that are so essential to agriculture and to military affairs, but the Government has tied the matter up in such a way that private capital can not enter upon their production.

Now, if the Government has done that, it strikes me as most extraordinary that we should step in and put the Government in the business? Why not loosen the hold that the Government has thrown around these matters?

I want further to add that it is inconceivable to me, knowing the genius of the American people, the enterprise of the American people, the capital that American citizens can command, that there are these fields of nitrates with such fabulous profits in sight, and that the private citizen will not enter. I can not conceive of it.

Mr. SMITH of South Carolina. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from South Carolina?

Mr. ASHURST. Yes, I yield.

Mr. SMITH of South Carolina. I can not speak for the condition of affairs with reference to the deposits of potash in the State which the Senator from Montana represents, but, in reply to the Senator from New Hampshire, I want to say that I was startled when the figures by a bureau of this Government were sent to me, upon my inquiry, as to the possible supply and cost of the production of commercial potash. They referred particularly to the kelp beds within the 3-mile limit from Alaska down as far as Southern California. The reason assigned by them why these almost inexhaustible kelp beds, rich in potash, had not been exploited was because they could not be monopolized. Potash is one of the ingredients that enters into the composition of explosives as well as nitrogen. In addition to potash, they state that 24 per cent of the chemicals extracted from kelp is pure nitrate.

Mr. POINDEXTER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Washington?

Mr. ASHURST. I yield to the Senator.

Mr. POINDEXTER. I shall delay the Senator from Arizona but for a word in reference to the statement of the Senator from South Carolina [Mr. SMITH] as to the available source of potash on the Pacific coast in the kelp beds. I will say that it is a matter of very recent discovery that those beds of so-called giant kelp contain a considerable amount of potash, and that, I believe, accounts for the fact that they have not been more utilized.

I take advantage of this occasion to advertise the fact that a short time ago I secured an appropriation, through the courtesy of the Committee on Agriculture and Forestry, of \$9,000, which has been used by the Agricultural Department in printing maps of the surveys which the department has made of those kelp beds on the Pacific coast.

Mr. ASHURST. Of course, I was speaking of our lack of large quantities of fixed nitrogen or saltpeter. What the Senators say as to potash I have no doubt is true.

Mr. MYERS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Montana?

Mr. ASHURST. I yield to the Senator.

Mr. MYERS. I desire to say at this time in reference to the bill to which my colleague [Mr. WALSH] made reference, the mineral-land leasing bill, that I expect it very soon to be reported favorably by the Senate Committee on Public Lands, the committee of which I have the honor to be chairman. The Committee has not expedited the consideration of the bill as fast as I should have liked; nevertheless I have pressed that bill and other business of the committee with all of my power, continuously and assiduously, this winter. Owing to the very slow rate at which the business of the Senate has progressed at this session, the nature of the bills which have been before it, and the fact that practically all the time of the Senate has been occupied with important administration measures, I hardly see how, even if the bill referred to by my colleague had been reported out of the committee before now, it could have been considered by the Senate before this time. Of course that does not excuse any delay of the committee. I confidently assert that the Senate Committee on Public Lands has more work, handles more business, and has more demands upon its time the year round than has any other committee of the Senate. The demands upon it this winter have been simply enormous, beyond conception; hearings, correspondence, sittings without end. I have done the best I could under the enormous pressure of work.

Mr. ASHURST. I have no doubt of that fact.

Mr. MYERS. I have struggled very hard this winter to expedite the business of the committee; I have done my best, but, as I say, matters have not progressed as rapidly as I would have liked. I am glad to say, however, that I believe that the bill of my colleague will be reported out with a favorable report in a very short while. It is only one of very many highly important

bills which have been before my committee this winter, each of which has consumed much time and been the recipient of great labor. I arrive at my office at the Capitol every morning at 7 o'clock, and seldom retire before midnight, and every minute of the time between those hours, except when at my meals, is devoted to official business. I am expediting the arduous work of the committee as much as possible.

Mr. ASHURST. Mr. President, the very fact that the distinguished senior Senator from Montana [Mr. MYERS] is the chairman of that committee is sufficient evidence to us that it is a diligent and hard-worked body of Senators and is assiduously performing its duty.

Mr. President, I should like to conclude without further interruption, as I have already held the Senate too long.

As I was about to say, nitrogen, in the form of nitric acid, is the principal constituent of explosives, such as guncotton, dynamite, and smokeless powder. We are annually producing about 250,000 tons of explosives, valued at \$40,000,000, and we pay \$23,000,000 for the raw materials that enter into them, most of which are imported. Had it not been for the discovery of the nitrate fields of Chile, the explosive industry, as it is known to-day, would have been impossible; and, as coal and minerals could not have been mined without the use of explosives, the development in mining and transportation, which has characterized the last half century, could not have been made.

In case of war we would be almost entirely dependent upon foreign nations for our supply of nitrogen for the manufacture of powder, and we would be practically defenseless unless we could obtain it from other nations. If the country with whom we were at war should be strong enough to seize the nitrate deposits of Chile, or to prevent shipments to this country, it would leave us helpless, in spite of our 100,000,000 of people and our Army and Navy. We would be forced to commandeer all sources of nitrogen, including fertilizer, and it might come about that some of our agricultural regions could no longer be devoted to food production, even though the scene of conflict never penetrated to them. The War Department is greatly concerned over this weak point in our national defense, and writers who are authorities upon the subject, from the military standpoint, urge the immediate development of our water powers, and establishment of atmospheric nitrogen plants, in order to insure the production of our requirements of nitrogen within the borders of our own country; and they strongly recommend that the nitrogen plants be so strategically located throughout the country as to be reasonably well protected against attack, in case of foreign invasion. Lindley M. Garrison, former Secretary of War, in his last annual report, said in vigorous language:

Our only present source of supply [of nitrogen] is the natural nitrate beds of Chile, which in time of war might be shut off from us. Obviously in the matter of munitions, especially where the source is so limited and localized, we should neglect no provision so easily available as this to make the country self-sustaining. Plants producing nitrogen for industrial purposes in time of peace would be a great national asset in view of their availability to supply us with the necessary nitrogen in time of war.

In the early days of our country, especially during the Revolutionary War, most of the niter, or saltpeter, was obtained by scraping ancient deposits from the walls of caverns and caves, and even during the Civil War recourse was had to scrapings of ancient deposits from walls, cellars, and caverns for the manufacture of gunpowder for the Armies of both North and South.

I desire to read from the report of the Chief of Ordnance, Brig. Gen. William Crozier, to the Secretary of War, dated October 1, 1915, pages 25 and 26, the following:

In a country of even the very large natural resources of the United States there are nevertheless some articles, essential in time of war, for which it is dependent upon foreign sources of supply. If these sources are so placed as to necessitate ocean transportation, the possibility of being cut off from them is great enough to call for provision against it. I do not know of any article of this class which, at the present time, should cause more concern with reference to the wartime supply than should nitric acid. The principal ingredient of the gunpowder of the present day, as well as of certain other explosives, is formed by treating ordinary cotton with nitric acid. The nitrogen in the nitric acid is obtained from sodium nitrate which comes from Chile, and the country is therefore dependent for its powder manufacture upon Chile. Some attempt has been made to place in storage a sufficient quantity of sodium nitrate to serve the country during a considerable period of interruption of supply; but there is no difficulty in saying now that the amount in store would produce a quantity of powder which would be insignificant in comparison with the requirements of a war, although it would undoubtedly be serviceable in tiding the country over a period which might be sufficient for setting in operation other methods of securing nitrogen for nitric acid, which would have been prepared in advance. A suggestion for improving the situation would be the accumulation of a larger store, but the experience of the expenditure of powder in the European war has shown that any estimate which could be demonstrated to be reasonable in the light of existing knowledge might be shown by an emergency, when it should arise, to be entirely inadequate. The military nations of Europe find themselves in this situation at the present time, and it would be

hopeless to expect that the people of the United States could, even in the light of the lessons which the world is now receiving, be induced to consent to an investment in a store of this class of matériel which would provide for as great an increase over an estimate which could now be justified as the actual increase of the present European expenditure over the amount whose necessity was there foreseen before the war.

These facts point to the necessity for inquiry into the possibility of the establishment within the limits of the country of a source of supply of this war essential. Fortunately the possibility exists. There are in successful operation in Europe, in several countries, plants for the fixation of atmospheric nitrogen and rendering it available for use in the manufacture of nitric acid. These plants require for their manufacturing processes electric current in large amount. In order that they may be commercially successful the current must be very cheaply obtained, and it is generally thus cheaply obtained by the employment of water power. In this country the expense of the employment of steam-generated electric current would not, in my opinion, be such as to render this method prohibitive for such an amount as would be required for the manufacture of nitric acid for gunpowder and other military explosives.

I believe that a steam plant could be established which would contribute effectively to the supply of the nitric acid which would be needed in the manufacture of powder for the current prosecution of a considerable war; but the expense, while not prohibitive, would still be such that this kind of a plant could probably not maintain itself commercially in ordinary times as against the production of nitric acid from imported nitrates, and the plant would, therefore, in all probability, remain in disuse in peace time, being held in reserve for time of war. Such a solution of the problem would be advisable if no better solution could be found; but the possibility of a better solution is apparent. There are in the United States various opportunities, under the control of the Federal Government, for the development of great water power. Some of these, I am informed, are such as to warrant their development for the purpose of power alone, and others would justify development for power in connection with or as an incident to the improvement of navigation. Estimates have been made of the cost of the power which could thus be made available, and have shown it to be such as to permit the fixation of atmospheric nitrogen in compounds which could be used in the manufacture of nitric acid at such prices as to enable water-power plants to maintain themselves in successful competition, in the nitrate industry, with foreign sources of supply of nitrates. In view of the right of control of the Federal Government of the sources of water power, it ought to be possible to permit their development by private parties, under such conditions of consent that the Government would be assured of their utilization for military purposes, when needed, at a reasonable cost; and as the great bulk of the output of the plants would be for commercial purposes it would not appear that the Government should itself embark in this development and production. If it should not be found practicable to devise a form of grant upon condition which Congress should consider such as to justify the exercise of its powers in such manner as to afford inducement to private enterprises to take the subject up, I consider the matter of sufficient importance to justify the Government itself in the development of power sufficient for its own military purposes. As some of the processes of fixation of atmospheric nitrogen are such that the resulting product is not immediately and directly available for the manufacture of nitric acid, but forms in itself an article of sufficiently profitable commerce to justify the stoppage of the process at the point of its production, means should be provided in advance, in case of the establishment of such a plant, for a continuation of the process, within a reasonable time, to a point such as to meet the needs of the country in the manufacture of powder. Under such conditions the store of sodium nitrate should be sufficient to tide over the interval necessary for the transformation of the industry.

Mr. President, one of the chief services, indeed, one of the most important services rendered to mankind by chemistry during the nineteenth century, was to reveal the absolute dependence of animal and vegetable life on nitrogen, to define clearly the part played by this element in nature, and to increase the number of technical products containing nitrogen.

I have heretofore shown that the United States is now spending millions of dollars in Chile annually for the purchase of nitrogen in its various combinations. The fact that the United States, in common with other countries, and especially with some manufacturing countries, is so dependent upon this one source, and the additional fact that the deposits of Chilean nitrate or saltpeter are not inexhaustible, and are destined at an early date to be completely exhausted—in fact, the Government reports say they will be exhausted in 1923—constitute what is called our nitrogen problem and must be met, and, in my judgment, met immediately by practical remedies. We must prepare for the fixation of the nitrogen we use for our explosives and for soil fertilizers. The Members of Congress who could for a moment refuse to consider this important question would, in my judgment, be worse than defaulters. A supply of nitrogen is as necessary as a supply of food or water. We should not hesitate a moment to take proper and practical steps toward the erection of plants for the fixation of atmospheric nitrogen.

The nitrogen problem of the day is almost unique in one respect—the material is abundant, in fact it is unlimited. The difficulty is to bring it into form available for the wants of mankind.

The atmosphere enveloping the globe consists chiefly of nitrogen, which constitutes 78 per cent of its volume and 75.5 per cent of its weight. It has been estimated that the column of air resting upon each square yard of the earth's surface contains 5.8 tons of nitrogen in the free elementary state. Recent investigations show that the rock forming the solid crust of the globe contains a measurable amount of combined nitrogen—about 350 grams per cubic meter. Assuming a thickness of

10 miles for the crust, this represents a weight of about 4.5 tons of nitrogen beneath each square yard of surface. The atmospheric nitrogen above 1 square mile of land, amounting to about 20,000,000 tons, is equivalent to what the world would require in the next 50 years at the present rate of consumption.

Of this enormous reserve, a minute fraction, about 0.000002, is in the active service of the vegetable and animal kingdoms. In the soil, in the form of nitrate, it is a chief factor of plant food. With the plants it passes into the bodies of animals, whence it returns to the soil. Through the action of bacteria a small portion reverts to the elementary form of atmospheric nitrogen. Through the action of other bacteria, with the aid of certain legumes, and by electric discharges in the air, a corresponding amount is constantly brought into a combined form and enters the cycle of changes. The amount of this "nomadic" nitrogen, as it has been aptly termed, is on an average about 20 grams for each square yard of land.

Our duty is plain. In these troublous times we in charge of the Nation's destiny, we who now hold the most sacred deposit ever confided to human hands, should not shirk nor shrink. If we perform these duties, glory will be our portion; if we fail, it will be to our shame. There is no remorse so deep, so poignant, so inveterate, as that which comes from the consciousness that we have failed at a supreme crisis to avail ourselves of an opportunity to perform a real and needful public service, and there is no happiness more sustaining, more enduring, or more unselfish than the consciousness that we have met in a worthy manner the responsibilities upon us.

One self-approving hour whole years outweighs
Of stupid stares and loud huzzas;
And more true joy Marcellus exil'd feels
Than Caesar with a senate at his heels.

Fortune, success, and opportunity soar aloft on high and rapid wing. They must be seized as they pass by. It is a difficult task to overtake them once they have left us behind, or found us asleep or afraid.

All success, whether of a nation, a political party, or an individual comes only from exacting toil and diligent labor, coupled with the ability to recognize an opportunity, however vagrant and disguised it may present itself. The individual, the party, the State that succeeds is the posthaster, not the postponer.

Pass these two bills—the bill providing for the erection of an armor-plate factory and the bill providing for a Government plant for the fixation of atmospheric nitrogen, and we will have the sympathy and support of honest and reasonable people, because we shall be entitled to it.

I thank the Senate for its attention.

Mr. MYERS obtained the floor.

Mr. SMITH of South Carolina. Mr. President, will the Senator from Montana yield to me for a few moments?

Mr. MYERS. I yield to the Senator from South Carolina.

Mr. SMITH of South Carolina. I wish to state, at the conclusion of the speech of the Senator from Arizona, that possibly we do not realize just the condition in reference to this essential chemical element, not only for agricultural purposes, but for the explosives which are essential to the conduct of modern warfare.

I made some inquiry as to the available supply of nitrogen in this country for commercial purposes, and I quoted to the Senate the difference between the price two years ago and the present price of potash to be about \$40 in 1913 and \$500 in 1915. I find that the Chilean nitrates have now risen from about \$36 or \$37 a ton to \$85 or \$90 a ton, and that in its crudest form; and as to the available supply for agricultural purposes it is practically unobtainable.

Those from the western part of the country do not realize that agriculture in the southeastern portion of the cotton belt—North Carolina, South Carolina, Georgia, eastern Alabama, and all of Florida—is practically dependent upon a commercial form of fertilizer.

My State, South Carolina, holds the world's record for corn production. Mr. Drake, of Marlboro County, made the fabulous yield of 250 bushels on 1 acre of upland. He did it largely by the use of high-grade nitrogenous fertilizers, because corn, unlike cotton, can be made with the use of nitrogen alone, or ammoniated fertilizers, which means the same. Nitrogen is a condensed form of ammonia. There is practically the same chemical formula in the case of one as in the case of the other.

I state now that we are beginning a new year. We felt the effects of fertilizer shortage last year. Our cotton crop dropped from 16,000,000 bales to a little over 10,000,000 bales from 1913 to 1914. You will have another drop if some provision is not made by which this chemical can be put in the soil.

We very often take the last term of any problem to solve it; it is like treating a symptom, we do not strike the disease. The credit of this country is largely maintained by the \$700,000,000 annually imported in exchange for American cotton. I will say nothing about the use of it universally. Nine hundred million people, according to statistics, use American-grown cotton; but the idea seems to prevail here that the Government should not enter into competition with private capital where private capital may develop a given industry. I think our experience with the armor-plate company, that has brought forth the introduction of the armor-plate bill, is more vitally true of what we may expect in nitrogen production. We might do without armor-plate factories being established by the Government, and pay the price of private concerns in furnishing us with these necessary materials in the defense of our country; but we have not yet found a substitute, either in modern munitions or in explosive power, for these nitrous substances, nor have we found a substitute for the same chemical in obtaining the food and clothing of the millions of Americans.

It is idle for us, clothed with the power that we have in a democracy, when the fundamental principle that underlies all preparedness, that underlies all of our prosperity, is the farm, to turn over to the tender mercies of a few fertilizer companies our farming population; who by the very nature of their work are incapable of organization in the larger and more powerful sense, and yet upon whose shoulders we stand and upon whose handwork we are dependent. It is a crime to leave them to the exploitation of private corporations, who, before ever the crop comes into existence that feeds and clothes you and me, take from the farmer the percentage that the corporation demands.

At the proper time I shall submit some statistics to show that in the State of South Carolina 50 per cent of the value of her cotton and corn crops goes to pay for the fertilizers upon which those crops are dependent, while from the Blue Ridge Mountains, a little over 100 miles distant, tributaries to our navigable streams are pouring into the ocean with power sufficient to take from the air, under the strong hand of our Government, sufficient nitrogen to enable these weak ones—weak individually, but strong in their numbers and in the result of their labor—to feed and clothe this country.

I have introduced this bill for the purpose of having the Government take the natural resources of the country and turn them over to the natural manipulators of these resources, those upon whom we ultimately depend, in order to enrich their soil and lay the foundation for the Government's and the Nation's prosperity in the form of an abundant food and clothing supply, and then also to give a source of supply to those very ones who respond when the cry of battle comes, when there comes the need of an Army. The very ones who feed you in time of peace will be the ones to protect you in time of war.

I have no apologies to make for asking the Government to come in and appropriate \$15,000,000 as a contribution to that vast army who, in season and out of season, every month in the year and every day in the month, are toiling in that battle which makes it possible for us to sit in the Senate Chamber of the United States and enjoy the comforts of clothing and food and all that contributes to the health and comfort of the individual.

I have introduced this bill because I believe the Senate of the United States will see to it that preparedness in its real sense, in the sense that should appeal to us all, shall begin at the foundation of things and put in the proper shape those upon whom in every crisis, in time of peace and in time of war, the welfare of this country depends—the laborers.

I thank the Senator from Montana for allowing me, in his time, to have this to say. When my bill shall have been reported, as I hope it will be in the near future, I shall submit to the Senate some statistics that I think some of us stand sorely in need of knowing, and I shall address myself more fully to this particular subject at that time.

WATER-POWER SITES.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 408) to provide for the development of water power and the use of public lands in relation thereto, and for other purposes.

Mr. MYERS. Mr. President, I am very glad to have yielded to the Senator from South Carolina. I think his remarks are very pertinent and embody much wisdom and useful information. I hope to hear from him further on the subject at some future time.

I will resume my humble argument on the unfinished business of the Senate, House bill 408, in an attempt to explain

the measure, and express my views of it. My remarks yesterday, I realize, were very much disconnected owing to many interrogatories and other interruptions, and extended remarks of others being interjected. I shall try to begin, though, where I left off if I can determine where that may be.

I will say that if I am not interrupted very much I think I can conclude the remarks I have to make without consuming a great deal of time. While I shall hold myself ready and willing to answer questions, I would rather not be interrupted any more than Senators feel is necessary, and would rather not have extended remarks interjected into the body of my remarks and in my time. I would prefer to be interrupted as little as Senators may think proper according to their ideas of the drift of the discussion. At the same time I hold myself ready to answer any questions which may be propounded to me.

I will begin by saying that there was considerable said yesterday about the right of the Federal Government to make withdrawals of public lands and about the wisdom of the policy and the extent to which it has been carried, especially in the State of Colorado. I admit that the State of Colorado appears to have been made an example of what the Federal Government can do in that respect, and that in the State of Colorado the policy appears to have been carried to a very great extreme, perhaps an unjustifiable extreme. I am not a defender of the extent to which that policy has been carried in the State of Colorado. I think doubtless it is unjust to the State of Colorado. Neither am I a defender of carrying that policy to that extreme anywhere. It may be easily abused, like any other right. But as far as the legal and constitutional right of the Government to make withdrawals of public lands is concerned, I think it is established beyond question. I do not think there is any doubt about it. I do not think the legal right or the constitutional right can be questioned. The moral right may be questioned as a matter of policy; but, as shedding some light upon the legal right, I will refer to some matters of history.

Prior to the adoption of the Articles of Confederation certain of the States, including Maryland and New Jersey, six in all, insisted that the western lands claimed by the remaining seven States of the Confederation ought to be handled for the general good of the entire Confederation and not retained and disposed of by the individual States alleging ownership thereof. The matter was formally laid before Congress by the State of Delaware February 23, 1779; by the State of Maryland May 21, 1779; and New York claiming 202,187 acres, was the first to respond, her delegates, on March 7, 1780, presenting an act proposing to relinquish the lands claimed by her in the West.

On receipt of this document the Congress of the Confederation adopted a resolution, providing—

That the unappropriated lands which may be ceded or relinquished to the United States by any particular State * * * shall be disposed of for the common benefit of the United States; * * * that the lands shall be granted or settled at such times and under such regulations as shall hereafter be agreed on by the United States in Congress assembled, or any nine or more of them.

Thereafter, and in compliance with the resolution, the following States made cessions of their territory in the West to the United States: New York, March 1, 1781; Virginia, March 1, 1784; Massachusetts, April 19, 1785; Connecticut, September 13, 1786, and May 30, 1800; South Carolina, August 9, 1787; North Carolina, February 25, 1790; Georgia, April 24, 1802.

The lands so ceded involved a total of 259,171,780 acres, extending as far south as the Gulf of Mexico, as far west as the Mississippi River, and as far north as the Great Lakes.

The enabling act passed preliminary to the admission of the State of Colorado into the Union (18 Stat., 474), like that of all of the western States admitted into the Union, provided that the admission should be upon certain conditions irrevocable without the consent of the United States and the people of the State, among the said conditions being that the people inhabiting the proposed States agree—

That they forever disclaim all right and title to the unappropriated public lands lying within said territory and that the same shall be and remain at the sole and entire disposition of the United States.

Ever since the beginning of our Government the lands ceded by the original States to the General Government and those acquired by conquest, cession, or purchase have been disposed of by the Federal Government under general laws enacted by Congress designed to procure their settlement and development, laws as nearly as possible uniform and alike as to lands of similar character wherever situated in the public domain. Each of the Western States has been given a generous grant or donation, ranging from two to four sections per township, for educational purposes, with additional grants for the support of institutions of higher education, reformatories, penal institutions, and so

forth. Any reservations made within public-land areas by the Federal Government have been designed for the public welfare or general good not only of the Nation at large but of the State within the limits of which the reservation was created.

I know it is claimed that because the enabling acts of the several public-land States provide that the public lands within the boundaries of those States are retained for "disposition" by the United States and because the words "dispose of" are therein used such lands must be, as soon as may be feasible and expedient, alienated—transferred to State or individual ownership.

But the Supreme Court of the United States has settled that and has held several times that it is within the jurisdiction and province of Congress to lease public land; that the words "dispose of" in that connection do not mean absolutely and necessarily a sale of the land.

I think that the system of the withdrawal of public lands within the boundaries of the States within judicious and discreet limits may be productive of good. Of course the right may be abused, as any other right may be; but I do not believe that the utilization of such land as may be discreetly and properly withdrawn for power-site purposes, if really adapted to power-site uses, is an abuse of the right or will result in any harm to the States in which the withdrawals are made. On the other hand, I believe it may result in good and that it will result in increased taxation to the State.

As I was saying yesterday when I discontinued my remarks, the Government owns the land adjacent to the waters in the public-land States where you find streams running through public lands. The Federal Government owns the land and the State owns the water, and I insist that this bill in no manner attempts to take the water away from the State. In such cases both the land and the water are absolutely essential to the generation of hydroelectric power. The land without the water will not produce hydroelectric power; neither will the water without the land; and as the Federal Government owns the land and the State owns the water, I see no possible way out of the present stagnation of water-power development other than that the Federal Government and the State government, acting jointly in cooperation, each contributing its share of assets and resources, shall work together for the common good of the people, who are citizens of both State and Nation.

The highest object of government, both in a Federal and State sense, is the promotion of the common welfare of the people. What higher motive can there be? Here is an opportunity for the Federal and State Governments combined to act very happily in the promotion of the common welfare and the production of general prosperity. I think we will be culpable if we do not invoke that power and enact some adequate and feasible legislation for the development of water power in the public-land States.

Mr. BRANDEGEE. Mr. President—

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator from Montana yield to the Senator from Connecticut?

Mr. MYERS. With pleasure.

Mr. BRANDEGEE. In the States where the State owns the water and the Government owns the land through which the water runs, how does the Senator contend that the Government has a right to take or regulate that which is the exclusive property of the State except with the consent of the State?

Mr. MYERS. I do not claim that at all. The Government merely fixes the compensation for the use of the land.

Mr. BRANDEGEE. But it gives the permit to use the water.

Mr. MYERS. No; not at all.

Mr. BRANDEGEE. Does not the bill provide for that?

Mr. MYERS. It provides that that shall be done under the laws of the State.

Mr. BRANDEGEE. Therefore, unless the State consents, there can be no permit granted?

Mr. MYERS. Unless projectors first make an appropriation of water under the laws of and by virtue of the authority of the State in which the project is to be located, they can not get any permit under the Federal Government to the use of the land.

Mr. SHAFROTH. If the Senator will permit me, it is a lease, as I understand it, for 50 years.

Mr. MYERS. Yes; a lease of the land.

Mr. SHAFROTH. A lease of the land. And it is proposed in such a situation that it shall hold up enterprise as soon as the Government does lease it. In other words, a company can not operate or locate or claim or take possession of or condemn or anything of that kind; but this blocks an enterprise unless the parties make terms with the Government in regard to the lease.

Mr. MYERS. That is true as to that which the Federal Government owns. It owns the land. The Federal Government is the proprietor of the land, and I think it ought to make some charge for the use of it. Unless a man will pay some compensation for the use of the land he can not get a lease of it under the terms of the bill; and I do not think it ought to be otherwise.

Mr. SHAFROTH. Does the Senator think that the State or the individual has a right to condemn the land?

Mr. MYERS. We discussed that at some length yesterday. I stated yesterday—and a number of Senators agreed with me—that some authorities hold that a State or individual may condemn public land for a public use; but it has never been passed upon by the Supreme Court of the United States. It is a mooted question, and probably always will be until it gets to the Supreme Court of the United States. The Senator's colleague [Mr. THOMAS] indicated very strongly yesterday that he thought the Supreme Court of the United States would uphold that right, and in his remarks cited some authority justifying his opinion.

It is no secret that we have stopped building hydroelectric plants in the United States. There is not to-day a single such plant of appreciable size under construction anywhere in the country. A number of large enterprises have been planned, and still others are under consideration, waiting for Congress to enact laws which will make financing and construction possible. Hundreds of engineers and thousands of skilled and unskilled workmen, dependent upon such work, are out of employment awaiting the enactment of this kind of legislation. Manufacturers of water-power machinery, materials, and supplies, with millions of dollars invested in their plants, are without orders, and asking Congress to pass such laws as will restore their business.

The country is in a deadlock over legislation for the development of water power. There is one class of people who claim that the land embraced in the withdrawn power sites should be turned over to the States and that the several States should be allowed to go ahead, each one of the 48 States independently and for itself, with full control over legislation for the development of water power within its borders. I can not and do not subscribe to that doctrine. I think it would be dangerous, unfeasible, unworkable, impractical. I do not believe that the people of the United States who, as a whole, own these valuable power-site privileges and advantages should surrender their heritage to the various States. They should retain them and utilize them for the common good and hold them for future generations.

There is another class of people who claim that the Federal Government should take charge of everything. Now, as long as those two extremes stand deadlocked with each other there is going to be no water-power development; there will be no legislation; there will be a continuation of the depressing stagnation which we have experienced for the last 10 or 15 years. I say that we should come to some compromise of that deadlocked situation. We must give and take some in our views, if we are to have any legislation that will revive the development of water power in this country, and that is what this bill undertakes to do.

The bill recognizes the rights of the States over the water flowing within their boundaries, and the right of the Federal Government as proprietor—under decisions of the Supreme Court of the United States—of the public land adjacent to those streams. The bill gives to each, the Federal and the State government, its proper function and sphere of activity in this field of development. It is a compromise; and if we are to have any legislation whatever on the subject, there must be some compromise, or there will be a continuation for an indefinite number of years of the stagnation which now prevails.

I say that we should by all means compromise conflicting views and have some legislation on the subject which will contribute to the wealth, prosperity, development, and welfare of the country. It is not a question of what we can get. Some of my fellow Senators seem to hold to the attitude of refusing to take anything unless they can get exactly what they want. It is not a question of getting exactly what we want that will ever start the wheels of development in this long-neglected field of activity. We must take what we can get, if it presents any fair solution of the matter at all.

Mr. SHAFROTH. Does not the Senator believe that when an enterprise is to be undertaken, if there are private lands along the way, the parties have the authority to begin condemnation proceedings and to condemn that private land, and that we should, under this bill, have the right, whenever Government lands are along there, also to have the right to condemn those lands?

Mr. MYERS. That I thought we all expressed our views about yesterday, and I had to admit that there was some uncertainty about the question.

Mr. SHAFROTH. This proposed law does not provide for it or authorize it. I have no doubt that it would be perfectly constitutional and legal to provide in the bill that any person or company undertaking the erection of a power plant shall have a right to condemn the land, not only of the private individual, but any land, whether owned by the Government or not, upon paying due compensation therefor—that is, the value of the land for all the uses it may be put to.

Mr. MYERS. I am not a believer in that theory. The Federal Government is the proprietor of the public land withdrawn for power-site purposes, and I believe it should retain jurisdiction of it and have some hand in the development of the resources. This business—the generation of hydroelectric power—must necessarily result, in a large measure, in interstate-commerce transactions, in the transmission of electric power from one State to another, and I believe, on account of that, the Federal Government should retain some jurisdiction, so that within its proper sphere it will have something to say about it. I am not a believer in turning over all these water-power sites to the States, to let 48 States enact each one different laws to suit itself and regulate affairs according to its own ideas, and have a thousand conflicts in a business which must necessarily in its nature be more or less an interstate-commerce matter. I believe the bill pursues the right course in that regard. It provides that in interstate business there shall be Federal control and in intrastate business there may be State control, subject to Federal proprietorship of the land. That is right. It is the ideal arrangement. It is analogous to our control of railroads—Federal control of interstate traffic, State control of intrastate traffic.

I spoke briefly yesterday on the wonderful benefits that will result from this class of legislation if we are successful in getting it through Congress. There are a great many uses to which electrical power was a stranger a few years ago that are now common. It is found that there are many uses in everyday life for that cheap class of power, and there will be many more in a few years. The development of water power in the Western States would result in many different ways in increased prosperity for the people, for the communities, and for the States themselves as Commonwealths. A few of the uses to which electrical power has been in recent years put successfully and will be put more successfully in the next few years are the following:

Cheap electricity for fuel and power, light and heat, in the cities and on the farms.

Reclamation by irrigation of vast areas of land now idle and useless.

Establishment of new industries, around which will grow new towns and cities, creating employment for hundreds of thousands of people and new markets for agricultural products.

New steel and iron industries in new sections.

Cheapened production of metals from low-grade ores.

Cheaper agricultural fertilizers and consequent larger agricultural crops.

The establishment in this country of electrochemical industries for the fixation of atmospheric nitrogen, now unknown in the United States, but which may be expected to grow to astonishing dimensions with the development of cheap water power, alone makes possible a long line of new manufacturing and mining operations, which promises an era of prosperity and activity greater than any the country has probably ever known.

One of the principal benefits which will arise in the West from this legislation is in the irrigation of arid lands which are not now susceptible to irrigation by the gravity system. Millions of acres of public lands in the arid-land States, hundreds of thousands, perhaps millions, of acres in my own State, not now cultivated, practically waste lands, productive of no good to anybody, may be converted into fruitful farms of great productivity if we may have legislation to produce cheap water power.

It is estimated that there are at least 10,000,000 acres of arid lands located in the far Western States, lying above the reach of gravity water that can only be reclaimed through water raised by pumps, operated by the cheap hydroelectric power now latent and wasting in the various streams from which the water would be pumped. Thus the land, and at a lower level the water to irrigate it, and the power to raise the water to the land are often all assembled at one point.

Given water these lands will produce every fruit, vegetable, and grain that is native to the temperate zone, and are capable of supporting a population of 2,000,000 people.

If capital can be interested, it is safe to say that hundreds of thousands of water horsepower will be utilized within the next 10 years after the enactment into law of this measure, in connection with the reclamation of arid lands, and that in addition to what the Government service will accomplish, hundreds of millions of dollars of private capital will be used for the establishment of reclamation projects in connection with pumping plants.

With a bill of this kind enacted into law and in successful operation, as I believe would result, there would be scarcely an excuse for a single quarter section of arid land in the Western States remaining arid and unproductive. The result would be that the agricultural output of our country would be largely increased and the cost of living to the masses of the people cheapened. I verily believe that it would be a happy method of securing what statesmen, economists, and theorists have long sought to find, a method of reducing the present high cost of living which has prevailed in this country and all over the world for years past.

Two splendid arguments as to the result of legislation of this character in benefiting the people have been heard in the addresses this afternoon in the Senate of the Senator from Arizona [Mr. ASHBURST] and the Senator from South Carolina [Mr. SMITH]. Two of the principal results flowing from this legislation would be the production of fertilizers and the fixation of atmospheric nitrogen. The production of fertilizers would be of enormous benefit to the farmers of this country. Their land is rapidly being depleted and exhausted. It is diminishing each year in productive capacity, and some means must be found of restoring its virgin fertility or this country will be unable in time to compete with some other sections of the world in the production of agricultural resources. Here is the opportunity for the farmers of the United States to have put in their hands the greatest possible agency of restoring the fertility of their lands, increasing their crops, and making this country the storehouse of the world for agricultural products.

At the same time legislation of this character will enable both the Government and individuals to engage in the business of the fixation of atmospheric nitrogen. It will not only aid in the production of fertilizers, but it may be utilized by the Government in the manufacture of munitions of war. As has been said by those Senators, this country is dependent almost entirely now upon the Chilean beds of nitrate for their nitrate products, and if by war or for any other unforeseen cause which might intervene we should be cut off from that source of supply the people of this country would have no way of obtaining nitrate, either for fertilizer or for the manufacture of munitions of war.

So this measure is really not only a development measure and a conservation measure, in the true sense of those words, but it is a part of the preparedness measures which should be put through Congress with a view to putting this country in a proper state of preparedness to defend itself from the encroachments of foreign nations, in the event we should have foreign troubles. With legislation of this character, the country would be enabled at any time to manufacture all the explosives which go into the manufacture of munitions of war, and it would make the country absolutely independent in a highly essential feature of national existence in which it is now not by any means independent.

I know that one great objection to this measure is the leasing feature of it. I shall not say much about that, because there are irreconcilable differences existing in the Senate over that question, and each school of thought is going to keep its opinion in that regard.

I am not in favor of any general leasing system of our public domain. I would not for an instant approve of leasing agricultural land which is capable of being homesteaded and of making homes and farms for our citizens. I would not approve of leasing grazing lands. I do not believe in carrying the leasing system to that extent.

The object of the homestead law is to make homes for the people, and that is the true and correct disposition of the public domain which is capable of adaptation to agricultural purposes. But this bill merely provides for leasing little strips of land along the banks of flowing streams. A man can not make a home on a dam site; he can not make a living there. If these sites were susceptible of being made into homes for the people, if we were taking homes away from the homeless by these withdrawals and by this very inconsequential system of leasing, I would not favor it; but it does not interfere in the least with the true spirit and intent of the Government in devoting the great body of our public domain to homes for the people. It does not interfere with that a particle.

Mr. SHAFROTH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Colorado?

Mr. MYERS. With pleasure.

Mr. SHAFROTH. Does not the Senator recognize that in that clause of the Constitution which provides that Congress shall have power to control and regulate the territory and make rules and regulations concerning it until disposed of it was meant by the Constitution to be the determination of the Government to absolutely part with the title and not lease the land?

Mr. MYERS. The Supreme Court of the United States has held that Congress has power to lease public lands.

Mr. SHAFROTH. Yes; it so held in a case where the leases were 5 years in extent. It has said that 5 years was a very limited time in the life of a nation, and I expect they would hold perhaps to 50 years so far as saying that the act is constitutional. It is all expressed in the decision that the object is to hold only the land until disposed of in good faith. Outside of the constitutional question imposed upon the Government, it seems to me it is to dispose of the land so that the States can live by taxation upon the land. It seems to me that the words "disposed of" have an important bearing. It can be avoided by saying 50 years or 25 years or 5 years, and it may come within the strict letter of the Constitution, but it seems to me everyone must recognize that leasing land is not disposing of it. Investment in land is the most conservative and perfect way for a permanent investment that can be conceived of, and leasing is not disposing of the land. It is in violation of the spirit of the Constitution, it seems to me, not to the extent of saying that it would be unconstitutional but from the fact that it was the intention of Congress and the intention of the Constitution makers that the Government should not permanently and forever hold lands within Territories, because it severs the relation, as it were, between the States and the Nation. Now, I ask the Senator, does he not think that that clause in the Constitution "until disposed of" meant by the Constitution makers at that time that the United States Government should not lease but should dispose of land?

Mr. MYERS. No; because the Supreme Court of the United States has said differently. I recognize that as good authority and accept it.

Mr. SHAFROTH. Does not the Senator believe that if by this bill we would say that we propose forever to hold these lands and never part with them it would be declared unconstitutional by the Supreme Court?

Mr. MYERS. It might; but this bill does not provide anything of that kind.

Mr. SHAFROTH. The Supreme Court might say that 50 years is a limited period—

Mr. MYERS. I think it would.

Mr. SHAFROTH. A limited period in the life of a nation, and therefore we will not say it is unconstitutional, but we will leave that to Congress, but in spirit it violates the Constitution. I believe when this system is fastened upon us it is going to remain forever, although it is not expressed in the bill that way. Consequently, if it does mean forever, it then follows, it seems to me, that it is not a constitutional provision.

Mr. MYERS. The principle is the same. If the Government can lease for 5 years, it can lease for 50 years. I believe the Federal Government should get something out of these valuable water-power sites for the benefit of the people of the country, who own them. I am not a believer in giving them away nor of parting with them for nothing. The enabling acts of all the Western States say that the people of the States disclaim forever all right in and control over these lands, at least without the consent of the United States Government, and the people of the whole country own these public lands. The people of the States have solemnly renounced all right, title, and interest in them and all claim to them.

Mr. SHAFROTH. That is right; but would not the Government get something out of them if they were to require the States or any person attempting to obtain them to pay what was the fair value as fixed in a condemnation suit? If you can attach to that any specific purpose, or all purposes whatever, the value of the land, it seems to me, would give compensation to the Government. I wish to call attention to this fact: We have acquired all this public domain and it has cost us just 4½ cents per acre. Is it possible that the United States Government ought to try to take millions out of what cost 4½ cents per acre? We condemn that in the case of a private individual. Should we not condemn it in the case of the Government holding up enterprises by reason of doing that?

Mr. MYERS. No; these lands belong to all the people of the whole country, and the Federal Government ought to try to get something like what they are reasonably worth for the benefit of the entire people. I believe we would come nearer to doing that by lease than by sale. If we sold them they might be sold for a song and future generations would get no benefit what-

ever from them. The better way is to keep them. They will become more valuable with the passing of time, and our children should have some benefit from them. They should be considered and kept in mind.

Mr. SMOOT. Mr. President, if that is the position the Senator takes, why does he not go further than the bill for the leasing of oil and gas lands and apply the leasing system to gold and silver and copper and all the precious metals? The Government of the United States no doubt could secure more than \$5 an acre for such land. If it is a question of the Government of the United States making every dollar possible out of the lands of the United States, why not make it universal and have it apply to everything? I think if that was done the West would be completely paralyzed.

Mr. MYERS. I will give a few of my reasons for differentiating. Water power is something which concerns all the people of the country. The whole community, everybody, uses it in the shape of electric power nowadays; and they are all interested, they are all concerned. Hydroelectric energy is produced from a power site. Everybody in the community is interested in that, everybody in the community uses it, and everybody in the community is entitled to get it at a fair and reasonable rate of compensation. But if you take gold out of a gold mine everybody in the community is not interested in that. It is not everybody who has a voice in the disposition of it. Everybody does not have to have it. The man who prospects and discovers a gold mine or any other mine of precious metals and develops it and puts his capital into it is entitled to all the profit there is in it, because it does not concern the public at large. Water power does. It is a public utility.

Mr. SMOOT. I certainly would have to take issue with the Senator there. When power is developed it only concerns the people to whom that power can be carried profitably. Up to date it can be carried over a wire perhaps four or five hundred miles. But take gold from the mine, it goes into circulation; it is the life blood of commerce; it is felt in every part of the country. The Senator well knows that in 1849 when gold was discovered in California it was virtually the thing that saved this country from the worst sort of a panic. There is not a person in the United States, business man or workman, who is not benefited directly or indirectly by every dollar that is taken from the ground and put into circulation.

Mr. MYERS. They are entitled to it when they can get it, when they do something to earn it, but in the case of hydroelectric energy, whether everyone does something or not, the community is benefited just the same by its development. It has reached the point now where practically everybody in the community uses it, and they are all interested in it, and have a right to be served at a reasonable rate of compensation. Precious metals are not of common and general use like hydroelectric energy. Let the man who discovers and develops a gold mine have the gold he gets out of it. He earns it. It is his. I have no interest in it, no right to it. He may do what he may please with it. He may hoard it if it pleases him to do so. But the man who develops electrical power has no right to do with it what he may please. I am interested in it. I need it and have a right to be served with it at a reasonable price. That is the difference.

Mr. SMOOT. It is not going to lessen the price of electric current to the consumer by charging a royalty upon all the power that is produced, because whatever royalty is placed upon the producing of electric power and the royalty paid to the Government, it has to be collected from the ultimate consumer.

Mr. MYERS. We really ought to have something for administrative purposes under a law of this kind; but whatever is collected is to go entirely and absolutely to the State; the Federal Government is to get nothing out of it. There is not even anything reserved in this bill for administrative purposes, as there might well be.

Another feature of modern use to which electrical power is being very successfully put and which will result in great and untold benefit to the people of the West and the amazing development of their resources is the electrification of railroads.

Resuming my discussion of the beneficial uses of electrical power, United States railroads are commencing to electrify parts of their systems, and a number of roads are now using electricity. The possibilities of future and more general electrification is merely a matter of making the economy of cheaply generated electricity overcome the heavy expense necessary to be expended in power plants, transmission lines, and reconstruction of the roads for electrical traction.

The most extensive main-line railway electrification in the United States, or in the world, thus far is that of the New York, New Haven & Hartford Railroad, which has electrified upward of 500 miles of track leading into New York City and is operat-

ing more than 100 electric locomotives and a slightly lesser number of multiple-unit cars. This road's electrification includes its Harlem division freight yards, which are among the largest in the world, and its motor equipment includes high-speed engines for passenger service, heavy engines for freight and express service, and slow engines for switching service. The power for this electrical service is generated from a steam plant at Stamford, Conn., and it is said that the cost of operation, including interest on the expensive equipment, is more costly than would be the cost of operation with steam locomotives.

Until a few years ago it was thought that electrification of railroads would be carried out by one of two systems—the 600 to 700 volt direct-current third-rail or the high-tension, single-phase alternating-current overhead system. These earlier difficulties, as to nature of current, contact device, and so forth, have, however, been fully overcome, and the Pennsylvania Railroad uses 11,000-volt single-phase current in the electrified zone in and about the Philadelphia terminals, while for heavy, mountain-grade work the Norfolk & Western uses three-phase alternating-current induction motors on their locomotives, but take the power from an overhead 11,000-volt single-phase line.

The Norfolk & Western hauls heavy trains over its mountain grades with 6,000-horsepower locomotives, which are motors when climbing grades and which become dynamos on the down grade, generating power from the motion of the descending train and returning to the overhead line a considerable portion of the current used in climbing the hill.

I want, while I am on that subject, to refer briefly to what electrical power has done for Montana. I believe the enactment of this bill into law would, in the next few years, mean the investment of many millions of dollars in the State of Montana. The generation of electrical power has already done a great deal for that State. It has given it a tremendous advance in industrial lines, and has brought very much prosperity to the State; but all the power which has been developed there so far has been on privately owned land. If this bill were passed and enacted into law, it would open up a much wider and more feasible field of generation of electric power, which is now closed entirely to capital. There are in the State of Montana withdrawals of some splendid power sites, which, if open to investment under fair and adequate legislation, would be utilized, and, I believe, would more than double the amount of electrical power generated in Montana and more than double the prosperity and the development which has been brought along that line to the State of Montana.

Mr. SHAFROTH. Mr. President, the Senator from Montana recognizes, does he not, that before the passage of the act of 1901, and really until withdrawals were made about 1907, the great development took place in electricity, in power plants, which was referred to by the colleague of the Senator some days ago. That development was proceeding very rapidly. The conservationists came in with the proposition that they wanted genuine development, but pleading that it was being hampered by the filings that were made in the Interior Department, and, in order to get rid of those filings, they wanted the permits revocable. You can readily see that they no doubt thought that they were going to provide a means of great activity, but instead of that it was an absolute stoppage.

The question in this bill is whether it does not contain restrictions which will hamper development, instead of making development. If you resort to a system that has proven a success, why is it not better; why is it not wiser?

Mr. MYERS. Practical water-power men and water-power investors tell me that the provisions of this bill will not hamper investment and development.

Furthermore, would the Senator from Colorado absolutely repeal the revocable permit law of 1901 and not enact any law in its place? Would he be satisfied to leave things in that condition?

Mr. SHAFROTH. Certainly, because each State has a public-utility commission, which requires that the power shall be furnished at cheap rates to the people; and with that power over these companies there will be no such thing as imposition upon the people in connection with the rates charged.

Mr. MYERS. How would the Senator get possession of or title to the land which enters into power sites if the law of 1901 were repealed?

Mr. SHAFROTH. I would file on them just exactly as we filed on them before.

Mr. MYERS. As homestead entries?

Mr. SHAFROTH. No; not as homestead entries. They have a law there which provides a definite method of location. One makes application for a power site just as in the case of irrigation. In that case it is necessary to file with the State engineer, as is also true in the case of power sites, an exact plat show-

ing the exact number of reservoirs, where they are located, the contour of the reservoirs, and, if it is in a stream, the kind of dam that is going to be erected. After that is filed in the State engineer's office it is checked up, and then, when it is approved, it is sent here to the Secretary of the Interior for his approval or disapproval. If it is approved, as it ought to be, as was customary up to 1901, or, in fact, up to 1907, the construction is proceeded with, subject to regulation by the utilities commission of the State. I want to say that the rates are very low in my State, not perhaps for power furnished by franchise companies in the cities, but by development companies. I know of one company that furnishes electricity at a rate of one-half cent per kilowatt hour, and I noticed in the hearings here the other day the case of a California company concerning which the commission made a ruling—and they have adhered to it ever since—requiring them to furnish electricity at the rate of 6½ mills per kilowatt hour. When you consider that here in the city of Washington we pay 8, 9, and 10 cents per kilowatt hour, it will be seen that the former is a very low rate indeed.

Mr. MYERS. I know that it was not many years prior to 1901 that power sites could be homesteaded or secured with scrip or any other form of entry.

Mr. SHAFROTH. That ought not to be permitted. I perfectly agree with the Senator as to that.

Mr. MYERS. And the Federal Government would get nothing out of them. But, so far as the method of filing plats and getting permits and approvals from the Interior Department is concerned, I do not think that any Senator on this floor has complained more of the arbitrary exercise of bureaucratic power than has the Senator from Colorado. This bill is designed to get away from that abuse and to enact a plain law by Congress, so that everybody will know what he can do.

Mr. SHAFROTH. I am perfectly free to say that I think this bill will make a bureaucracy as to this matter just as there has been in other lines in the various departments.

Mr. MYERS. I regret to say that the Senator from Colorado can see nothing in the Federal Government but bureaucracy. Every time you raise the United States flag he has stage fright because of the specter of bureaucracy.

Mr. SHAFROTH. No; I do not; but the administration of the public lands has been by bureaus in Washington, and they have treated us very unfairly.

Now, I want to ask the Senator a question, which, it seems to me, is in line with what he is saying. The Senator knows that if you are going to construct a railroad which is to go over public land, you must file in the Interior Department a definite plat of location of the railroad. Do you think the Government ought to say, "No; we will not let the railroad be constructed unless you give us a part of the net earnings of the company each year?" Would not that hamper railroad building? Would it not have a tendency to prevent railroad companies from proceeding with railroad construction? Would they not say they did not want to be hampered by regulations, and would it not be almost absolutely destructive if we should say, "We are going to charge you for every ton that goes over your railroad, because you go over our land?"

Mr. MYERS. But a railroad is a common carrier, and for that reason also has the right of eminent domain under the English common law and under the law of this country.

Mr. SHAFROTH. So is a company for the distribution of electric power a common carrier. It has been so decided in our country; and it seems to me that the more restrictions you put around it the less development you will have and the higher the rates the companies will charge the people.

Mr. SMOOT. Mr. President, in the State of Montana there is a power company to-day developing a great amount of electrical power.

Mr. MYERS. Yes; that is true.

Mr. SMOOT. I understand that they have sold power at \$20 per horsepower per year for the purpose of operating a certain railroad.

Mr. MYERS. I think that is correct. I have the figures here.

Mr. SMOOT. That has been accomplished without the passage of any such law as is contemplated by this bill.

Mr. MYERS. They generate all their power on privately owned land. Would you not have anybody come in competition with them?

Mr. SMOOT. Oh, Mr. President, that is not what I had in mind. I want to say to the Senator that if the conditions existed as they existed before the passage of the act of 1891 one could secure title to the lands and develop electric power. If a private concern upon private land has developed power in the State of Montana and sold it at \$20 per horsepower for the operating of a railroad, what reason has the Senator to fear that that could not be done in other States if the title to the

land could be secured? What reason has the Senator to fear, if the water power to be developed within his own State is developed in the same way, that any greater amount would be charged the people than is now charged?

Mr. WALSH. Mr. President—

Mr. MYERS. I yield to my colleague.

Mr. WALSH. If my colleague will yield to me, I will ask the Senator from Utah a question in that connection.

Mr. MYERS. I have yielded.

Mr. SMOOT. As soon as the Senator answers my question, then I will answer the Senator's question.

Mr. MYERS. I am very glad to answer it. Although the rate cited by the Senator from Utah is a cheap rate for power, I do not see how any harm could result from throwing open to the public under feasible legislation other splendid power sites which are not now available, enabling new investors and new companies to compete with those which are already in the field.

Mr. SMOOT. I want to say that if the new investor and the new company are hampered by regulations and by a charge upon every horsepower developed, they will not stand upon the same basis as the company which is already established and is producing electrical power upon lands over which there is no governmental control or charge imposed per horsepower.

Mr. MYERS. They will know that when they go into the business, and, if they make arrangements to compete under those conditions, the assumption is that they will be able to compete, or they would not invest their money and go into the business.

Mr. SMOOT. The very thing I am afraid of is that they may not be able to compete.

Mr. WALSH. If my colleague will yield—

Mr. MYERS. I yield to my colleague.

Mr. WALSH. I should like to advise the Senator from Utah that the power sites now being developed in Montana have long since passed into private ownership by virtue of homestead entries, through the location of Sioux half-breed scrip, soldiers' additional homestead scrip, Valentine scrip, forest reserve scrip, fake mining claims, and other entries of that character. Does the Senator mean that he would like to have that system continued?

Mr. SMOOT. Oh, no; the Senator from Utah has not intimated any such thing; and even if what the Senator from Montana states were universally true—and perhaps there are some such cases as those described by him; I have no doubt that there are—but even if all locations were of the character which the Senator has described, the Senator will admit that the price of electricity in the State of Montana now is exceptionally low?

Mr. WALSH. I agree with the Senator about that; but that is not the question. The Senator from Utah addressed to my colleague the question whether these power sites could not be put to a public use in exactly the same way that the power sites were prior to the passage of the act of 1901. I want to know from the Senator from Utah if he would like to have power sites now appropriated under these other acts?

Mr. SMOOT. Mr. President, I never did approve and never will approve of any evasive way of securing public lands of any character for any purpose. I am well aware that there were evils in obtaining title to public lands not only for power sites but for timber and stone as well.

Mr. WALSH. If the Senator will pardon me, I do not mean to say that they were fraudulently procured at all.

Mr. SMOOT. I say there were such cases.

Mr. WALSH. I mean to say that they were secured under those acts, there being no law whatever for the disposition of the land as power sites.

Mr. SMOOT. Mr. President, I will go further than the Senator, and say that title was fraudulently obtained in very many cases. I know of great tracts of timberlands in this country which have been secured under the law governing placer-mining claims. I know that there are many acres of land of different character which have been obtained fraudulently; but we are not considering that question now. No one approves of any such acts to-day.

Mr. WALSH. Certainly not. It is far from me to say that the Senator from Utah approves of them; but let us dismiss the other consideration entirely and go back prior to 1901, when these properties, these valuable power sites, were appropriated as homesteads. They were appropriated under the timber and stone act, they were appropriated under the various scrip acts. Now, when the Senator asks, Can not these power sites on public lands be disposed of in exactly the same way that they were before? I want to know from the Senator if that is really his attitude.

Mr. SMOOT. No; Mr. President, I want them disposed of under some proper system. As the Senator knows, one seeking a location would have to file with the State engineer, I think in every State, an application for water.

The Senator knows that the applicant would have to get consent from the State before the power site could be used for the development of power. He knows that the Secretary of the Interior would have to approve of the application, and that up to 1891 those who secured title other than by the use of scrip, which the law allowed, obtained it in this way; and it seems to me that is the proper way to do now, or, so far as I am concerned, I would be more than willing to grant the State the right to make application for every water-power site within the State, just as the substitute for this bill which I have offered provides, and make the State responsible—give the State the power to say when an electric-power plant shall be established and give the State control of the rates which may be charged by the company.

Mr. WALSH. I should like to ask the Senator from Utah if he thinks that Congress would pass a law turning these power sites over to the States?

Mr. SMOOT. I think, Mr. President, that ultimately that will be done. I do not know whether or not public sentiment is such to-day that Congress would do it.

Mr. WALSH. Let me ask the Senator whether he thinks that the relatively low-valued agricultural lands could be turned over to the States?

Mr. SMOOT. I think the Senate of the United States would turn the remainder of the public lands over to the States.

Mr. WALSH. I am speaking now of Congress, not of the Senate.

Mr. SMOOT. And I will say to the Senator that I think the same sentiment is growing in the House.

Mr. WALSH. I apprehend that the Senator speaks frankly about this matter, as he usually does. Will he agree that it is impossible to get public sentiment to approve of turning over to the States even the relatively low-valued agricultural and grazing lands?

Mr. SMOOT. I will admit that is true.

Mr. WALSH. Now, does the Senator think that under those circumstances it would be possible to get them to turn over to the States these immensely valuable lands which exist in only small quantities?

Mr. SMOOT. Mr. President, they are not valuable except as they are made valuable by the investment of money under the laws of the State and the use of the water of the State. That is what makes them valuable. Otherwise they are only rocky mountain sides. They never can be used by any citizen of the United States for any other purpose than for the development of water power, and I believe that the Congress of the United States, if they understood the situation and knew that the States would control the rates at which the power should be furnished to the ultimate consumer and that there was no chance of a monopoly or of an injustice being inflicted on citizens of the United States, would pass a law giving them the right to secure title to such lands.

Mr. MYERS. Mr. President, I will ask the Senator from Utah if he would have the law of 1901 absolutely repealed and make no provision whatever by legislative enactment for the development of water power in the Western States?

Mr. SMOOT. I would greatly prefer that, Mr. President, to having the law of 1901, as construed by the department, stand on the statute books to-day. I am as positive as I am that I stand here that if it were repealed there would be a more rapid development of water power in the West than there will be under the provisions of this bill.

Mr. WALSH. Let me ask the Senator how would anyone get title to the land?

Mr. SMOOT. Just wait until I answer the question of the senior Senator from Montana. I want to say, Mr. President, that in a system of development, with the States having absolute control and the public-utilities commissions regulating the price of the power, no citizen in the United States would ever suffer from such control. I know it has been said that in the past franchises have been given to railroads without consideration or compensation, and that valuable franchises have been given to street railways in the cities. That is true; but that day has passed. You can not find a city in the United States which to-day would grant to a street railway a franchise for 99 years with no consideration whatever. You can not find a State that would give to a railroad company a franchise for 50 or for 99 years without requiring some return to the State. Public sentiment has changed; the ideals of the American people have changed. In saying that, I do not want to be understood as criticizing the Western States, for at the time such franchises

were granted in those Commonwealths the people there had but one idea, and that was to build up their cities and to develop their States. So they invited people to come, for they had resources which were undeveloped which needed capital, and without the development of which those communities could not grow. The people who were there were poor; they were pioneers; they went there to develop the country, and in order to develop it they offered inducements to others to come there and to invest their money. So I have no apprehension, Mr. President, as to a State to-day frittering away or giving away any valuable franchise to any corporation.

Mr. WALSH. Mr. President, the Senator having referred to the possibility of regulation, I want to ask him is there in the State of Utah a regulatory tribunal which controls the price of electrical power?

Mr. SMOOT. I have answered the Senator that question once before, but I am glad to answer it again. Up to the present time there is no public-utilities commission in the State of Utah, and I have stated why; but I have no doubt that the next legislature will enact such a law. I have no doubt that such a commission will be provided for.

Mr. WALSH. Let me ask the Senator whether the governor of his State did not veto a bill of that character which was passed at the last session of the legislature?

Mr. SMOOT. The governor vetoed a bill because of the form of the bill, but not because of the principle involved. I desire to say to the Senator that both parties in Utah have in their platforms declared in favor of the creation of a public-utilities commission; but the form of the bill passed did not satisfy the governor and he vetoed it. The Senator from Montana, however, need not worry one moment about the creation of a public-utilities commission in the State of Utah. A law creating such a commission is going to be passed. There is no question in my mind as to that.

Mr. MYERS. Mr. President, I will claim the floor again. Fifteen years ago the development of the electrical power of this country was in its infancy, and laws on the subject were very crude. If the Senator from Utah would be willing to go back to those laws and those conditions, then, truly, there is nothing progressive about him, and he is not at all in touch with the progress and the advancement of the times. I believe a different spirit prevails in this country to-day and that more is demanded than in the past.

I was on the subject of what the generation of electrical power has done for the State of Montana, as an example of what it might do for all of the Western States under favorable circumstances. I will recur to that subject and give a few more facts.

The mines of Butte, Mont., the greatest copper mines in the United States, were formerly operated by steam, at an average cost of \$85 per horsepower per year, and were using 35,000 horsepower, ranging in price from \$66 to \$130 per horsepower. The Montana Power Co., generators of electrical power, now furnish power from a distance of 130 miles, and have taken over all the business of operating those mines for the life of the mines at \$30 per horsepower per year, which is a great saving to those industries.

The mine owners can now carry on operations for \$2,000,000 per year less than before. They mine in that camp 4,000,000 tons of ore per year, and the reduced price of power makes each ton worth 50 cents more than before. The mine owners can now take out ore worth 50 cents per ton less than before, enabling the mining companies to extract, at equal profit, ore running very much less per ton.

The Montana Power Co. has recently made a contract with the Chicago, Milwaukee & St. Paul Railroad Co. to furnish operating power for 450 miles of its road in Montana and Idaho, 230 miles of which are now in operation. The contract is for 99 years at \$21 per horsepower per year, and will cost the railroad \$550,000 per year. That is what it is costing the road now to operate that part of its line. Before that it had cost the road \$1,750,000 per year for operating the same number of miles.

The Butte, Anaconda & Pacific Railway, a Montana road, 80 miles long, is all electrified. Before electrification it was paying \$22,500 a month for coal alone, and hauling it over its own line. The total cost of power now is \$8,000 a month—a saving of \$14,500 a month, or \$174,000 a year.

Those are a few of the things that the development of electrical power has done for Montana. It will do far more for my State if you will give it a chance. It will do as much for some other States.

If this bill becomes a law, I look for the time to come in the near future when all three of the great transcontinental railroads traversing the State of Montana will be operated solely

by electrical power, and I think the time will come when they will be operated by electrical power altogether from Chicago to the Pacific coast. I look for all of the transcontinental railroads crossing the country, all of the railroads in the Western States where electrical power may be obtained cheaply and readily, to be operated in a few years by electrical power, and at an enormous saving of cost, because there is where cheap power may be generated. There are numerous opportunities for the generation of it, numerous fine sites, and it will result in a great saving in the operation of all of the railroads of that section of the country, the West. The people who patronize those roads, the passengers who travel on them, the shippers who ship freight on them, ought to get the benefit of that saving, and I believe will get it, under our system of regulating railroad charges by the Interstate Commerce Commission in the case of interstate business, and by the State commissions in the case of intrastate business.

The mines of all that region may be operated more cheaply and economically, as is the case to-day in copper mines at Butte, in Montana. Factories will spring up in those States. Industries now unknown to those States will spring up. Cities and towns will spring up. They will draw people to them, and afford employment to those people. Electric-power development will redound in every way to the prosperity of the people of those States. There will be more people there, more people at work, more pay rolls, more money produced, more money in circulation, and more prosperity among the people of those States.

I do not think it takes a prophetic vision to see those results from the generation of cheap electrical power in that wonderfully blessed country, the great West. Now the question is, Are we going to stand still? Are we going to remain in a state of stagnation and utterly refuse to provide adequate legislation for the development of our resources and to bring about that era of prosperity, which I can easily foresee, just on account of some differences between Members of Congress over the rights of States and the rights of the Federal Government? Just on account of some notion of States' rights which prevails among some of the western Members of Congress and a fear that some mysterious power is going to take away from their States the constitutions under which they are operating, are we, just because of a stubborn difference over methods of procedure, going to maintain that stagnation which is now preventing general development in a wonderfully blessed section of the country?

Mr. SHAFROTH. Mr. President, I fully concur with the Senator that this development is going to take place; but the question is whether it will take place under this bill as well as it will take place where a person has the right to acquire the land for what it is worth. I do not know that the Senator has read the bill which I have offered as a substitute for this bill.

Mr. MYERS. I read it some time ago.

Mr. SHAFROTH. No; that is not the bill.

Mr. MYERS. I have not seen this year's bill, then.

Mr. SHAFROTH. The bill which I have offered as a substitute provides for practically the condemnation of the land of the United States just the same as the land of an individual, and thereby title to it is acquired. If you have a lease with the Government, you are going to have clauses in the lease that make it revocable. You are going to have provisions just like you have in a house lease. Certain things have to be done by the individual. He has to pay the rental at regular intervals of time, and whenever the time comes that the Government says "No," the Government can clamp down and oust the party. Those are things that every company on earth is afraid of, and they will not go into the enterprise as freely as if they owned the title to the lands. If you provide for acquiring the title to the lands, however, together with the supervision of the utility commissions, you will find that you will have the cheapest development that can be had in the world.

Mr. MYERS. I am not at all afraid of a lack of development under the provisions of this bill if it becomes a law. I am assured that if this bill becomes a law it will result in the investment of millions of dollars in the State of Montana in the next few years, and, in fact, almost immediately. I am not a believer, either, in selling to private individuals and parting absolutely with the title of the Government to these valuable water-power sites. The lands constituting them belong to the people of all of the United States, and I think some supervision and control over them ought to be retained by the people of all of the United States. If they were sold to individuals, they would likely be sold for a song; they might be condemned for a song, and then they would be gone forever out of the hands of the people who now own them.

Mr. SHAFROTH. The Senator does believe, however, in having the Government do exactly that same thing as to railroads, does he not?

Mr. MYERS. That is a long-established system, and Congress has long ago provided a method of parting with the title to lands that railroads are seeking. I do not consider the cases analogous at all.

Mr. SHAFROTH. That was the system we had up to the passage of the act of 1901, too, in the case of water-power sites, and there was great development under it.

Mr. MYERS. But it was subject to a great many things of which the Senator from Colorado himself has complained—bureaucracy and regulations, which he says are invariably carried to an extreme, and which hamper and restrict development—and the land was subject to homestead entry and scripping, and a number of other ways of acquiring it.

Mr. SHAFROTH. Oh, no; not to bureaucracy, because the bureaucracy has occurred since 1901. That is where the bureaucracy has occurred.

Mr. MYERS. The Senator is entirely satisfied with the situation up to 1901, then? He would simply return to that system?

Mr. SHAFROTH. No; I would be perfectly willing for them to file on water-power land for water-power sites and then let them pay to the Government whatever that land is worth, measured by what it would bring in a condemnation suit. It seems to me that is all the Government has a right to exact, and it seems to me it would result in that.

Some years ago there was hardly any such thing as a public-utility commission. Now every State in the Union, I think, except Utah, has a public-utility commission. They are sometimes called railroad commissions, but their jurisdiction extends to every public carrier that may be incorporated in the State. I want to say, as to these Western States, that Arizona has one, California has one, Colorado has one, Idaho has one, Montana has one, Nevada has one, New Mexico has one, Oregon has one, and Washington has one.

Mr. MYERS. Oh, I know; nearly all the States have them.

Mr. SHAFROTH. Every one of the States which are the subject of this matter has a public-utility commission that determines the price that can be charged persons using electricity; and every charge and every restriction that you put on here simply makes the corporation charge a higher rate, and the public-utility commission allows it.

Mr. MYERS. Then the Senator would have the Federal Government give up absolutely these valuable heritages, these water-power sites, and part forever with the title to them?

Mr. SHAFROTH. Why, no. I have said that they should pay for it just exactly as they would pay for my land if I owned it.

Mr. MYERS. But the Senator would have the United States part with the title to these sites?

Mr. SHAFROTH. I would have the United States part with the title to them, just as I am compelled to part with the title to them. I want to say to the Senator that that was the understanding of the Western States, and I call attention to the fact that in the constitution of Colorado we provided as follows:

All persons and corporations shall have the right of way across public, private, and corporate lands—

It will be observed that it is expressed there as "public lands"—

for the construction of ditches, canals, and flumes for the purpose of conveying water for domestic purposes, for the irrigation of agricultural lands, for mining and manufacturing purposes, and for drainage, upon payment of just compensation.

That is the constitution that was presented in compliance with the enabling act of Congress; and upon the presentation of that constitution, and its examination by the President, and his approval of it as complying with the enabling act, the proclamation was issued by which Colorado was admitted into the Union.

Mr. MYERS. What did the people of the Senator's State understand by its enabling act, which said that they forever renounced all claim to control over the public lands within the State?

Mr. SHAFROTH. Why, certainly they do not claim title to the lands; but they do say that where enterprises are to be undertaken, under this provision of the constitution, the right of way can be condemned by paying for it what it is worth.

Mr. MYERS. If they solemnly abandoned all interest in and forever renounced all control over the public lands within the borders of the State, they are not in a position now to complain, whether the United States Government sells or leases them, whichever it may see fit to do. If they did not want to come into the Union under those terms, they should not have accepted the enabling act and should have stayed out. I think

they ought to stand by their enabling act, which solemnly renounces all claim to the control or exercise of any right over the public lands. They are not in a position now to complain if the Federal Government sees fit to lease them. They have renounced the right to complain.

Mr. SHAFROTH. Why, no; because, as a matter of fact, the Constitution of the United States itself says that these lands shall be held until disposed of. It is a temporary trust. It has been declared by the Supreme Court of the United States to be a temporary trust.

Mr. MYERS. We are traveling in a circle. The Supreme Court of the United States has said that that does not mean merely to sell; it means to lease as well as to sell. The Senator must abide by the decision of the Supreme Court of the United States.

Mr. SHAFROTH. But they can not keep them forever unless they get the consent of the State. Whenever a public building is to be erected in a State it is not erected until the legislature of the State cedes to the United States jurisdiction over the property on which the building is to stand. Consequently, if the State wants to pass a special act of its legislature providing that a sovereignty can come in there independently of the States it can do it; but it takes the consent of the State to do it.

Mr. MYERS. I believe I will dissolve for the present my dual argumentative capacity with the Senator from Colorado, and proceed in a single capacity with my few remaining remarks.

I have said practically all I care to say about the nature and desirability of this class of legislation. I now want, before closing, to take up the bill and refer to some of the sections of it, and I shall not be very long at that.

The first section is the section which provides for the leasing of the land which constitutes the power site. It provides for a lease for 50 years. I will say that it seemed to be the general opinion of all who addressed our committee on that subject that there ought to be some definite termination of the life of the lease; that it ought to be a determinate lease; and 50 years seemed to be considered by all alike about the proper lifetime for the lease. The House of Representatives has fixed it at that, and the Senate committee last year and this year fixed it at that, and it meets with no serious complaint from anybody. I believe, myself, that 50 years is the proper period. I do not believe it ought to be any longer than that, and I do not believe it would be just or fair to make it any less than that.

From testimony before our committee, it appears that the lifetime of a power project may be divided into three periods. Experience shows that all successful projects pass through those three periods. They may be called the construction period, the development period, and the profitable period. A considerable period of time, varying at from three to five years, must elapse during which the plant may be constructed, transmission lines built, and the development of business initiated. It is fair to assume that upon the basis of a 50-year leasehold, 10 per cent of the time will have elapsed before the project is ready to render service, develop business, or pay any return upon the sums invested. During this period of inactive earning power, promotion, organization, engineering, and construction charges, together with interest on all of these necessary expenses, and taxes, have been paid, thus burdening the plant with heavy obligations before perfecting any earning capacity.

It is the policy of the Government, and should be the policy of all power producers, to develop the project to its maximum capacity. To do this it is, in the majority of cases, necessary to develop far beyond the existing market.

Every water-power company which has a growing business, and particularly those companies that are operating and contemplating operating in the sparsely settled and only partially developed regions of the West, where the proposed legislation will have its fullest application, are obliged to make heavy investments upon which no immediate return is possible. To endeavor to secure a return on total investment during this early or first period would necessitate the charging of rates so exorbitant as to preclude the development of the business and to curtail rather than extend the use of hydroelectric power. As a matter of business policy rates must of necessity, during the first period, be limited to what will pay, in many instances, a nominal return only upon the actual money invested, leaving no profit for the owner and developer of the business. This situation is realized by all conservative water-power companies, and with it comes a realization that, aside from bond interest and sinking fund requirements, additional revenues must be made by maintaining as cheap rates as possible, extending the business and substituting hydroelectric power for other means of generating power required for different industries.

During the second period of a leasehold, when the business has been developed, a fair return may be made upon the investment. Under the regulatory control of State public-service commissions only such a return as can be adequately justified may be looked for. This may be regarded as the period of profit to the owner and developer, while at the same time the public interest is conserved through the instrumentality of its commissions.

During the latter part of the leasehold the plant will inevitably be reaching a stage where maintenance and renewal charges will be heavy items. In order to properly serve the public, plants, structures, dams, transmission, and distributing systems should be maintained at the highest possible point of efficiency. Extensions should be made to meet the public need, and in the rapidly growing sections of the West these extensions require a constant expenditure of new money, amounting to a very considerable portion of the total outlay. If a company is facing a situation where its physical property may be taken over at the end of a comparatively few years, it will inevitably follow that there will be a disposition to save as much money as possible upon renewals, repairs, and extensions, and such sums as may of necessity be invested under these heads must, to as great an extent as possible, be amortized during the remainder of the lease, resulting in a constant effort to increase rates to the point where as large a rate as the customer's business will stand must be charged, and justified by the governmental agencies which have imposed upon the power concern the necessity of amortizing at least a portion of its property, not according to the standard usually adopted, to wit, that of wiping it out during the estimated life of the property itself, but by introducing the fictitious element of an expiring leasehold.

There is general agreement that the 50-year period is the proper period for leasing lands necessary for power sites. About that, I believe, there is no question. If there were as little question about everything else connected with the bill as there is about that, there would be no trouble at all about the speedy enactment of the bill into law.

URGENT DEFICIENCY APPROPRIATIONS.

Mr. MARTIN of Virginia. From the Committee on Appropriations I report back favorably with amendments the bill (H. R. 13043) making appropriations to supply further additional urgent deficiencies in appropriations for the fiscal year 1916 and prior fiscal years, and I submit a report (No. 200) thereon. I give notice that if I find the opportunity I shall ask the Senate to take up the bill to-morrow morning.

The VICE PRESIDENT. The bill will be placed on the calendar.

EXECUTIVE SESSION.

Mr. STONE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened, and (at 5 o'clock p. m.) the Senate adjourned until to-morrow, Thursday, March 16, 1916, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate March 15, 1916.

UNITED STATES DISTRICT JUDGES.

Joseph W. Woodrough, of Omaha, Nebr., to be United States district judge, district of Nebraska, vice William H. Munger, deceased.

Horace W. Vaughan, of Honolulu, Hawaii, now serving as assistant United States attorney, district of Hawaii, to be United States district judge, district of Hawaii, vice Sanford B. Dole, whose term expired December 16, 1915.

CHIEF JUSTICE OF SUPREME COURT OF TERRITORY OF HAWAII.

Alexander G. M. Robertson, of Honolulu, Hawaii, to be chief justice of the Supreme Court of the Territory of Hawaii. (A reappointment, his term having expired May 15, 1915.) Mr. Robertson is now serving under a recess appointment.

SECOND JUDGE OF CIRCUIT COURT.

William L. Whitney, of Honolulu, Hawaii, to be second judge of the Circuit Court of the First Circuit of the Territory of Hawaii. (A reappointment, his term having expired May 6, 1913.) Mr. Whitney is now serving under a recess appointment.

JUDGES OF CIRCUIT COURTS.

James Wesley Thompson, of Honolulu, Hawaii, to be judge of the Circuit Court of the Third Circuit of the Territory of Hawaii, vice John A. Matthewman, whose term expired January 6, 1913.

Clement K. Quinn, of Honolulu, Hawaii, to be judge of the Circuit Court of the Fourth Circuit of the Territory of Hawaii, vice Charles F. Parsons, whose term expired January 6, 1913.

UNITED STATES DISTRICT ATTORNEY.

S. C. Huber, of Tama, Iowa, to be United States attorney, district of Hawaii, vice Jeff McCarn, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate March 15, 1916.

REGISTER OF THE LAND OFFICE.

Orin M. Lane to be register of the land office at Rapid City, S. Dak.

APPOINTMENTS IN THE ARMY.

CORPS OF ENGINEERS.

Col. William M. Black to be Chief of Engineers with the rank of brigadier general.

Rev. Milton O. Beebe to be chaplain with the rank of first lieutenant.

MEDICAL RESERVE CORPS.

To be first lieutenants with rank from February 12, 1916.

Herbert Jerome Rosenberg.
Mather Cleveland.
John Radway Le Comte.
Henry Lee Wenner, jr.
Francis Bonneau Johnson.
James Walker Walters.
Kenneth Allen Phelps.
Adam Edward Sherman.
William Wesley Hoggatt.
Harry Clifford Miller.
William Vaux Ewers.
Charles William Hennington.
Clayton Kendall Haskell.
Charles Lane Hincer.
Albert Bowen.
Charles Clyde Sutter.
Arthur Patterson Reed.
William Aloysius Dalton.
Phillips Maurice Chase.
Curtis Dudley Pillsbury.
Richey Laughlin Waugh.
Frank Hinman.
Charles Hansell Watt.
Nathan Davis McDowell.
Samuel Boyd Ross.
James Walker Jameson.
George Nathaniel Pratt.
Charles Wentworth Hoyt.
Ammi Ballinger Edgar.
Ira Cohen.
Philip Van Ingen.
William Joseph Froitzheim.
Joseph Briggs Howland.
Wayland Augustus Morrison.
Sumner Everingham.
Constant Moreaux Colignon.
Harry William Helmen.
William Francis Hewitt.
Thomas Christian Paulsen.
Charles Edison Swezy.
George de Tarnowsky.
John Aikman.
George Merrill Randall.
Lindsay Alexander Beaton.
James Albert Corscaden.
Max Alonzo Almy.
John Dension Fowler.
Frederick Smith Baird.
Alvin Jay Bayley.
Edgar Allan Bocock.
William Lacey Edmundson.
David Norvell Walker Grant.
John Edward Walker.

APPOINTMENT, BY TRANSFER, IN THE ARMY.

First Lieut. Harold L. Gardiner, Coast Artillery Corps, to be first lieutenant of Cavalry.

First Lieut. Albert C. Wimberly, Seventh Cavalry, to be first lieutenant in the Coast Artillery Corps.

PROMOTIONS IN THE ARMY.

INFANTRY ARM.

Lieut. Col. Frederick Perkins to be colonel.
Maj. Richard C. Croxton to be lieutenant colonel.
Capt. Lincoln F. Kilbourne to be major.
Capt. George E. Houle to be major.
First Lieut. Shepard L. Pike to be captain.
First Lieut. Henry G. Stahl to be captain.
First Lieut. Roy C. Kirtland to be captain.
First Lieut. Alfred C. Arnold to be captain.
Second Lieut. Henry J. Damm to be first lieutenant.
Second Lieut. Max R. Wainer to be first lieutenant.
Second Lieut. Charles T. Griffith to be first lieutenant.

COAST ARTILLERY CORPS.

First Lieut. Lloyd B. Magruder to be captain.
Second Lieut. Thomas H. Jones to be first lieutenant.
Second Lieut. Laurence Watts to be first lieutenant.
Second Lieut. Henry N. Sumner to be first lieutenant.

FIELD ARTILLERY ARM.

Second Lieut. Edwin Saint J. Greble, jr., to be first lieutenant.

POSTMASTERS.

ILLINOIS.

John C. Kohn, Elgin.

KANSAS.

Christina Walker, Moline.

LOUISIANA.

Susie Jones, Glenmora.

MAINE.

J. Theodore Kneeland, Harrison.

MICHIGAN.

Stephen B. Coddington, Capac.
D. D. Ranney, Leslie.

MINNESOTA.

Francis T. O'Gorman, Goodhue.
James J. Remes, New Prague.

MISSOURI.

Thomas E. Heatherly, La Grange.
Charles H. Smith, Canton.

MONTANA.

Carl E. Bowman, Hardin.

NEBRASKA.

Ella E. Ayers, Winnebago.

NEW YORK.

George W. Batten, Lockport.
John F. Brennan, Hudson.
Girdell V. Brower, Rockville Center.
Timothy J. Dacey, Sherrill.
Clark E. De Forest, Unadilla.
John J. Finnerty, Croton on Hudson.
Robert J. Fitzpatrick, Dannemora.
Henry F. Hoornbeek, Napanoch.
John A. Kramer, Wayland.
Mansfield F. McLean, Wappingers Falls.
Uri H. Mersereau, Union.
Allen R. Nevinger, Bliss.
Timothy C. Sullivan, Comstock.
Eugene Smith, Sharon Springs.

NORTH DAKOTA.

William Gamble, Portal.
Reinhart Gilbertson, Glenburn.

PENNSYLVANIA.

George D. Arner, Weissport.
George N. Grumbein, Palmyra.
John V. McFadden, Summithill.

SOUTH CAROLINA.

William L. Blackmon, Kershaw.
V. Brown McFadden, Rock Hill (late Rockhill).
James E. Searson, Allendale.

VERMONT.

D. R. Stetson, Newport.